

Department of State

bulletin



THE UNION & AMERICA
CONTINUOUSLY
PROMOTING
INTERCOURSES AGAINST THE COMMUNIST
COUNTRIES

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The State of the Union

Message of the President to the Congress¹

[Excerpts]

To the Congress of the United States:

I have the honor to report to the Congress on the state of the Union.

This is the eighth such report that, as President, I have been privileged to present to you and to the country. On previous occasions, it has been my custom to set forth proposals for legislative action in the coming year. But that is not my purpose today. The presentation of a legislative program falls properly to my successor, not to me, and I would not infringe upon his responsibility to chart the forward course. Instead, I wish to speak of the course we have been following the past 8 years and the position at which we have arrived.

In just 2 weeks, General Eisenhower will be inaugurated as President of the United States and I will resume—most gladly—my place as a private citizen of this Republic. The Presidency last changed hands 8 years ago this coming April. That was a tragic time: a time of grieving for President Roosevelt—the great and gallant human being who had been taken from us; a time of unrelieved anxiety to his successor, thrust so suddenly into the complexities and burdens of the Presidential office.

Not so this time. This time we see the normal transition under our democratic system. One President, at the conclusion of his term, steps back to private life; his successor, chosen by the people, begins his tenure of the office. And the Presidency of the United States continues to function without a moment's break.

Since the election, I have done my best to assure that the transfer from one Administration to another shall be smooth and orderly. From General Eisenhower and his associates, I have had friendly and understanding collaboration in this endeavor. I have not sought to thrust upon him—

nor has he sought to take—the responsibility which must be mine until 12 o'clock noon on January 20. But together, I hope and believe, we have found means whereby the incoming President can obtain the full and detailed information he will need to assume the responsibility the moment he takes the oath of office.

The President-elect is about to take up the greatest burdens, the most compelling responsibilities, given to any man. And I, with you and all Americans, wish for him all possible success in undertaking the tasks that will so soon be his.

What are these tasks? The President is Chief of State, elected representative of all the people, national spokesman for them and to them. He is Commander in Chief of our Armed Forces. He is charged with the conduct of our foreign relations. He is Chief Executive of the Nation's largest civilian organization. He must select and nominate all top officials of the executive branch and all Federal judges. And on the legislative side, he has the obligation and the opportunity to recommend and to approve or veto legislation. Besides all this, it is to him that a great political party turns naturally for leadership, and that, too, he must provide as President.

This bundle of burdens is unique; there is nothing else like it on the face of the earth. Each task could be a full-time job. Together, they would be a tremendous undertaking in the easiest of times.

But our times are not easy; they are hard—as hard and complex, perhaps as any in our history. Now, the President not only has to carry on these tasks in such a way that our democracy may grow and flourish and our people prosper, but he also has to lead the whole free world in overcoming the Communist menace—and all this under the shadow of the atomic bomb.

This is a huge challenge to the human being who occupies the Presidential office. But it is not a challenge to him alone, for in reality he cannot meet it alone. The challenge runs not just to him

¹ H. doc. 1, 83d Cong., 1st sess.; delivered by reading clerks in the House and in the Senate on Jan. 7.

but to his whole Administration, to the Congress, to the country.

Ultimately, no President can master his responsibilities, save as his fellow citizens—indeed, the whole people—comprehend the challenge of our times and move, with him, to meet it.

It has been my privilege to hold the Presidential office for nearly 8 years now, and much has been done in which I take great pride. But this is not personal pride. It is pride in the people, in the Nation. It is pride in our political system and our form of government—balky sometimes, mechanically deficient perhaps, in many ways—but enormously alive and vigorous; able through these years to keep the Republic on the right course, rising to the great occasions, accomplishing the essentials, meeting the basic challenge of our times.

There have been misunderstandings and controversies these past 8 years, but through it all the President of the United States has had that measure of support and understanding without which no man could sustain the burdens of the Presidential office, or hope to discharge its responsibilities.

For this I am profoundly grateful—grateful to my associates in the executive branch—most of them nonpartisan civil servants; grateful—despite our disagreements—to the Members of the Congress on both sides of the aisle; grateful especially to the American people, the citizens of this Republic, governors of us all.

We are still so close to recent controversies that some of us may find it hard to understand the accomplishments of these past 8 years. But the accomplishments are real and very great, not as the President's, not as the Congress', but as the achievements of our country and all the people in it.

Let me remind you of some of the things we have done since I first assumed my duties as President of the United States.

I took the oath of office on April 12, 1945. In May of that same year, the Nazis surrendered. Then, in July, that great white flash of light, man-made at Alamogordo, heralded swift and final victory in World War II—and opened the doorway to the atomic age.

Consider some of the great questions that were posed for us by sudden, total victory in World War II. Consider also, how well we as a Nation have responded.

The Overriding Question of Our Time

I come now to the most vital question of all, the greatest of our concerns: Could there be built in the world a durable structure of security, a lasting peace for all the nations, or would we drift, as after World War I, toward another terrible disaster—a disaster which this time might be the holocaust of atomic war?

That is still the overriding question of our time. We cannot know the answer yet; perhaps we will

not know it finally for a long time to come. But day and night, these past 8 years, we have been building for peace, searching out the way that leads most surely to security and freedom and justice in the world for us and all mankind.

This, above all else, has been the task of our Republic since the end of World War II, and our accomplishment so far should give real pride to all Americans. At the very least, a total war has been averted, each day up to this hour. And at the most, we may already have succeeded in establishing conditions which can keep that kind of war from happening for as far ahead as man can see.

The Second World War radically changed the power relationships of the world. Nations once great were left shattered and weak, channels of communication, routes of trade, political and economic ties of many kinds were ripped apart.

And in this changed, disrupted, chaotic situation, the United States and the Soviet Union emerged as the two strongest powers of the world. Each had tremendous human and natural resources, actual or potential, on a scale unmatched by any other nation.

Nothing could make plainer why the world is in its present state—and how that came to pass—than an understanding of the diametrically opposite principles and policies of these two great powers in a war-ruined world.

For our part, we in this Republic were—and are—free men, heirs of the American Revolution, dedicated to the truths of our Declaration of Independence:

... that all men are created equal, that they are endowed by their Creator with certain unalienable Rights... That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed.

Our postwar objective has been in keeping with this great idea. The United States has sought to use its pre-eminent position of power to help other nations recover from the damage and dislocation of the war. We held out a helping hand to enable them to restore their national lives and to regain their positions as independent, self-supporting members of the great family of nations. This help was given without any attempt on our part to dominate or control any nation. We did not want satellites but partners.

The Soviet Union, however, took exactly the opposite course.

Its rulers saw in the weakened condition of the world not an obligation to assist in the great work of reconstruction, but an opportunity to exploit misery and suffering for the extension of their power. Instead of help, they brought subjugation. They extinguished, blotted out, the national independence of the countries that the military operations of World War II had left within their grasp.

The difference stares at us from the map of Europe today. To the west of the line that tragically divides Europe we see nations continuing to act

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and live in the light of their own traditions and principles. On the other side, we see the dead uniformity of a tyrannical system imposed by the rulers of the Soviet Union. Nothing could point up more clearly what the global struggle between the free world and the Communists is all about.

It is a struggle as old as recorded history; it is freedom *versus* tyranny.

For the dominant idea of the Soviet regime is the terrible conception that men do not have rights but live at the mercy of the state.

Inevitably this idea of theirs—and all the consequences flowing from it—collided with the efforts of free nations to build a just and peaceful world. The Cold War between the Communists and the free world is nothing more or less than the Soviet attempt to checkmate and defeat our peaceful purposes, in furtherance of their own dread objective.

We did not seek this struggle, God forbid. We did our utmost to avoid it. In World War II, we and the Russians had fought side by side, each in our turn attacked and forced to combat by the aggressors. After the war, we hoped that our wartime collaboration could be maintained, that the frightful experience of Nazi invasion, of devastation in the heart of Russia, had turned the Soviet rulers away from their old proclaimed allegiance to world revolution and Communist dominion. But instead, they violated, one by one, the solemn agreements they had made with us in wartime. They sought to use the rights and privileges they had obtained in the United Nations, to frustrate its purposes and cut down its powers as an effective agent of world progress and the keeper of the world's peace.

Despite this outcome, the efforts we made toward peaceful collaboration are a source of our present strength. They demonstrated that we believed what we proclaimed, that we actually sought honest agreements as the way to peace. Our whole moral position, our leadership in the free world today, is fortified by that fact.

The world is divided, not through our fault or failure, but by Soviet design. They, not we, began the Cold War. And because the free world saw this happen—because men know we made the effort and the Soviet rulers spurned it—the free nations have accepted leadership from our Republic, in meeting and mastering the Soviet offensive.

It seems to me especially important that all of us be clear, in our own thinking, about the nature of the threat we have faced—and will face for a long time to come. The measures we have devised to meet it take shape and pattern only as we understand what we were—and are—up against.

The Soviet Union occupies a territory of 8 million square miles. Beyond its borders, east and west, are the nearly 5 million square miles of the satellite states—virtually incorporated into the Soviet Union—and of China, now its close partner.

This vast land mass contains an enormous store of natural resources sufficient to support an economic development comparable to our own.

The Stalinist World

That is the Stalinist world. It is a world of great natural diversity in geography and climate, in distribution of resources, in population, language, and living standards, in economic and cultural development. It is a world whose people are not all convinced Communists by any means. It is a world where history and national traditions, particularly in its borderlands, tend more toward separation than unification, and run counter to the enforced combination that has been made of these areas today.

But it is also a world of great man-made uniformities, a world that bleeds its population white to build huge military forces; a world in which the police are everywhere and their authority unlimited; a world where terror and slavery are deliberately administered both as instruments of government and as means of production; a world where all effective social power is the state's monopoly—yet the state itself is the creature of the Communist tyrants.

The Soviet Union, with its satellites, and China are held in the tight grip of Communist Party chieftains. The party dominates all social and political institutions. The party regulates and centrally directs the whole economy. In Moscow's sphere, and in Peiping's, all history, philosophy, morality, and law are centrally established by rigid dogmas, incessantly drummed into the whole population and subject to interpretation—or to change—by none except the party's own inner circle.

And lest their people learn too much of other ways of life, the Communists have walled off their world, deliberately and uniformly, from the rest of human society.

That is the Communist base of operation in their Cold War. In addition, they have at their command hundreds and thousands of dedicated foreign Communists, people in nearly every free country who will serve Moscow's ends. Thus the masters of the Kremlin are provided with deluded followers all through the free world whom they can manipulate, cynically and quite ruthlessly, to serve the purposes of the Soviet state.

Given their vast internal base of operations, and their agents in foreign lands, what are the Communist rulers trying to do?

Inside their homeland, the Communists are trying to maintain and modernize huge military forces. And simultaneously, they are endeavoring to weld their whole vast area and population into a completely self-contained, advanced industrial society. They aim, some day, to equal or better the production levels of Western Europe and North America combined—thus shifting the balance of

world economic power, and war potential, to their side.

They have a long way to go and they know it. But they are prepared to levy upon living generations any sacrifice that helps strengthen their armed power, or speed industrial development.

Externally, the Communist rulers are trying to expand the boundaries of their world, whenever and wherever they can. This expansion they have pursued steadfastly since the close of World War II, using any means available to them.

Where the Soviet Army was present, as in the countries of Eastern Europe, they have gradually squeezed free institutions to death.

Where postwar chaos existed in industrialized nations, as in Western Europe, the local Stalinists tried to gain power through political processes, politically inspired strikes, and every available means for subverting free institutions to their evil ends.

Where conditions permitted, the Soviet rulers have stimulated and aided armed insurrection by Communist-led revolutionary forces, as in Greece, Indochina, the Philippines, and China, or outright aggression by one of their satellites, as in Korea.

Where the forces of nationalism, independence, and economic change were at work throughout the great sweep of Asia and Africa, the Communists tried to identify themselves with the cause of progress, tried to picture themselves as the friends of freedom and advancement—surely one of the most cynical efforts of which history offers record.

Thus, everywhere in the free world, the Communists seek to fish in troubled waters, to seize more countries, to enslave more millions of human souls. They were, and are, ready to ally themselves with any group, from the extreme left to the extreme right, that offers them an opportunity to advance their ends.

Geography gives them a central position. They are both a European and an Asian power, with borders touching many of the most sensitive and vital areas in the free world around them. So situated, they can use their armies and their economic power to set up simultaneously a whole series of threats—or inducements—to such widely dispersed places as Western Germany, Iran, and Japan. These pressures and attractions can be sustained at will or quickly shifted from place to place.

Thus the Communist rulers are moving, with implacable will, to create greater strength in their vast empire and to create weakness and division in the free world, preparing for the time their false creed teaches them must come: the time when the whole world outside their sway will be so torn by strife and contradictions that it will be ripe for the Communist plucking.

This is the heart of the distorted Marxist interpretation of history. This is the glass through which Moscow and Peiping look out upon the world, the glass through which they see the rest

of us. They seem really to believe that history is on their side. And they are trying to boost "history" along, at every opportunity, in every way they can.

I have set forth here the nature of the Communist menace confronting our Republic and the whole free world. This is the measure of the challenge we have faced since World War II—a challenge partly military and partly economic, partly moral and partly intellectual, confronting us at every level of human endeavor and all around the world.

It has been and must be the free world's purpose not only to organize defenses against aggression and subversion, not only to build a structure of resistance and salvation for the community of nations outside the Iron Curtain, but, in addition, to give expression and opportunity to the forces of growth and progress in the free world, to so organize and unify the cooperative community of free men that we will not crumble but grow stronger over the years, and the Soviet empire, not the free world, will eventually have to change its ways or fall.

Our Defense: Military Security and Human Progress

Our whole program of action to carry out this purpose has been directed to meet two requirements.

The first of these had to do with security. Like the pioneers who settled this great continent of ours, we have had to carry a musket while we went about our peaceful business. We realized that if we and our allies did not have military strength to meet the growing Soviet military threat, we would never have the opportunity to carry forward our efforts to build a peaceful world of law and order—the only environment in which our free institutions could survive and flourish.

Did this mean we had to drop everything else and concentrate on armies and weapons? Of course it did not: side-by-side with this urgent military requirement, we had to continue to help create conditions of economic and social progress in the world. This work had to be carried forward alongside the first, not only in order to meet the nonmilitary aspects of the Communist drive for power but also because this creative effort toward human progress is essential to bring about the kind of world we as free men want to live in.

These two requirements—military security and human progress—are more closely related in action than we sometimes recognize. Military security depends upon a strong economic underpinning and a stable and hopeful political order; conversely, the confidence that makes for economic and political progress does not thrive in areas that are vulnerable to military conquest.

These requirements are related in another way. Both of them depend upon unity of action among the free nations of the world. This, indeed, has

been the foundation of our whole effort, for the drawing together of the free people of the world has become a condition essential not only to their progress, but to their survival as free people.

This is the conviction that underlies all the steps we have been taking to strengthen and unify the free nations during the past 7 years.

What have these steps been? First of all, how have we gone about meeting the requirement of providing for our security against this worldwide challenge?

Our starting point, as I have said on many occasions, has been and remains the United Nations.

We were prepared, and so were the other nations of the free world, to place our reliance on the machinery of the United Nations to safeguard peace. But before the United Nations could give full expression to the concept of international security embodied in the Charter, it was essential that the five permanent members of the Security Council honor their solemn pledge to cooperate to that end. This the Soviet Union has not done.

I do not need to outline here the dreary record of Soviet obstruction and veto and the unceasing efforts of the Soviet representatives to sabotage the United Nations. It is important, however, to distinguish clearly between the principle of collective security embodied in the Charter and the mechanisms of the United Nations to give that principle effect. We must frankly recognize that the Soviet Union has been able, in certain instances, to stall the machinery of collective security. Yet it has not been able to impair the principle of collective security. The free nations of the world have retained their allegiance to that idea. They have found the means to act despite the Soviet veto, both through the United Nations itself and through the application of this principle in regional and other security arrangements that are fully in harmony with the Charter and give expression to its purposes.

The free world refused to resign itself to collective suicide merely because of the technicality of a Soviet veto.

The principle of collective measures to forestall aggression has found expression in the Treaty of Rio de Janeiro, the North Atlantic Treaty, now extended to include Greece and Turkey, and the several treaties we have concluded to reinforce security in the Pacific area.

But the free nations have not this time fallen prey to the dangerous illusion that treaties alone will stop an aggressor. By a series of vigorous actions, as varied as the nature of the threat, the free nations have successfully thwarted aggression or the threat of aggression in many different parts of the world.

Our country has led or supported these collective measures. The aid we have given to people determined to act in defense of their freedom has often spelled the difference between success and failure.

Major Steps Toward Collective Security

We all know what we have done, and I shall not review in detail the steps we have taken. Each major step was a milepost in the developing unity, strength, and resolute will of the free nations.

The first was the determined and successful effort made through the United Nations to safeguard the integrity and independence of Iran in 1945 and 1946.

Next was our aid and support to embattled Greece, which enabled her to defeat the forces threatening her national independence.

In Turkey, cooperative action resulted in building up a bulwark of military strength for an area vital to the defenses of the entire free world.

In 1949 we began furnishing military aid to our partners in the North Atlantic community and to a number of other free countries.

The Soviet Union's threats against Germany and Japan, its neighbors to the west and to the east, have been successfully withstood. Free Germany is on its way to becoming a member of the peaceful community of nations, and a partner in the common defense. The Soviet effort to capture Berlin by blockade was thwarted by the courageous Allied airlift. An independent and democratic Japan has been brought back into the community of free nations.

In the Far East, the tactics of Communist imperialism have reached heights of violence unmatched elsewhere—and the problem of concerted action by the free nations has been at once more acute and more difficult.

Here, in spite of outside aid and support, the free government of China succumbed to the Communist assault. Our aid has enabled the free Chinese to rebuild and strengthen their forces on the island of Formosa. In other areas of the Far East—in Indochina, Malaya, and the Philippines—our assistance has helped sustain a staunch resistance against Communist insurrectionary attacks.

The supreme test, up to this point, of the will and determination of the free nations came in Korea, when Communist forces invaded the Republic of Korea, a state that was in a special sense under the protection of the United Nations. The response was immediate and resolute. Under our military leadership, the free nations for the first time took up arms, collectively, to repel aggression.

Aggression was repelled, driven back, punished. Since that time, Communist strategy has seen fit to prolong the conflict, in spite of honest efforts by the United Nations to reach an honorable truce. The months of deadlock have demonstrated that the Communists cannot achieve by persistence, or by diplomatic trickery, what they failed to achieve by sneak attack. Korea has demonstrated that the free world has the will and the endurance to match the Communist effort to overthrow international order through local aggression.

It has been a bitter struggle and it has cost us

much in brave lives and human suffering, but it has made it plain that the free nations will fight side by side, that they will not succumb to aggression or intimidation, one by one. This, in the final analysis, is the only way to halt the Communist drive to world power.

Heart of the Free World's Defense

At the heart of the free world's defense is the military strength of the United States.

From 1945 to 1949, the United States was sole possessor of the atomic bomb. That was a great deterrent and protection in itself.

But when the Soviets produced an atomic explosion—as they were bound to do in time—we had to broaden the whole basis of our strength. We had to endeavor to keep our lead in atomic weapons. We had to strengthen our Armed Forces generally and to enlarge our productive capacity—our mobilization base. Historically, it was the Soviet atomic explosion in the fall of 1949, 9 months before the aggression in Korea, which stimulated the planning for our program of defense mobilization.

What we needed was not just a central force that could strike back against aggression. We also needed strength along the outer edges of the free world, defenses for our allies as well as for ourselves, strength to hold the line against attack as well as to retaliate.

We have made great progress on this task of building strong defenses. In the last 2½ years, we have more than doubled our own defenses, and we have helped to increase the protection of nearly all the other free nations.

All the measures of collective security, resistance to aggression, and the building of defenses, constitute the first requirement for the survival and progress of the free world. But, as I have pointed out, they are interwoven with the necessity of taking steps to create and maintain economic and social progress in the free nations. There can be no military strength except where there is economic capacity to back it. There can be no freedom where there is economic chaos or social collapse. For these reasons, our national policy has included a wide range of economic measures.

In Europe, the grand design of the Marshall Plan permitted the people of Great Britain and France and Italy and a half dozen other countries, with help from the United States, to lift themselves from stagnation and find again the path of rising production, rising incomes, rising standards of living. The situation was changed almost overnight by the Marshall Plan; the people of Europe have a renewed hope and vitality, and they are able to carry a share of the military defense of the free world that would have been impossible a few years ago.

Now the countries of Europe are moving rapidly toward political and economic unity, changing

the map of Europe in more hopeful ways than it has been changed for 500 years. Customs unions, European economic institutions like the Schuman Plan, the movement toward European political integration, the European Defense Community—all are signs of practical and effective growth toward greater common strength and unity. The countries of Western Europe, including the free Republic of Germany, are working together, and the whole free world is the gainer.

It sometimes happens, in the course of history, that steps taken to meet an immediate necessity serve an ultimate purpose greater than may be apparent at the time. This, I believe, is the meaning of what has been going on in Europe under the threat of aggression. The free nations there, with our help, have been drawing together in defense of their free institutions. In so doing, they have laid the foundations of a unity that will endure as a major creative force beyond the exigencies of this period of history. We may, at this close range, be but dimly aware of the creative surge this movement represents, but I believe it to be of historic importance. I believe its benefits will survive long after Communist tyranny is nothing but an unhappy memory.

In Asia and Africa, the economic and social problems are different but no less urgent. There hundreds of millions of people are in ferment, exploding into the twentieth century, thrusting toward equality and independence and improvement in the hard conditions of their lives.

Politically, economically, socially, things cannot and will not stay in their prewar mold in Africa and Asia. Change must come—is coming—fast. Just in the years I have been President, 12 free nations, with more than 600 million people, have become independent: Burma, Indonesia, the Philippines, Korea, Israel, Libya, India, Pakistan, and Ceylon, and the Associated States of Indochina, now members of the French Union. These names alone are testimony to the sweep of the great force which is changing the face of half the world.

Working out new relationships among the peoples of the free world would not be easy in the best of times. Even if there were no Communist drive for expansion, there would be hard and complex problems of transition from old social forms, old political arrangements, old economic institutions to the new ones our century demands—problems of guiding change into constructive channels, of helping new nations grow strong and stable. But now, with the Soviet rulers striving to exploit this ferment for their own purposes, the task has become harder and more urgent—terribly urgent.

In this situation, we see the meaning and the importance of the Point Four Program, through which we can share our store of know-how and of capital to help these people develop their economies and reshape their societies. As we help Iranians to raise more grain, Indians to reduce the

incidence of malaria, Liberians to educate their children better, we are at once helping to answer the desires of the people for advancement, and demonstrating the superiority of freedom over communism. There will be no quick solution for any of the difficulties of the new nations of Asia and Africa—but there may be no solution at all if we do not press forward with full energy to help these countries grow and flourish in freedom and in cooperation with the rest of the free world.

Our measures of economic policy have already had a tremendous effect on the course of events. Eight years ago, the Kremlin thought postwar collapse in Western Europe and Japan—with economic dislocation in America—might give them the signal to advance. We demonstrated they were wrong. Now they wait with hope that the economic recovery of the free world has set the stage for violent and disastrous rivalry among the economically developed nations, struggling for each other's markets and a greater share of trade. Here is another test that we shall have to meet and master in the years immediately ahead. And it will take great ingenuity and effort—and much time—before we prove the Kremlin wrong again. But we can do it. It is true that economic recovery presents its problems, as does economic decline, but they are problems of another order. They are the problems of distributing abundance fairly, and they can be solved by the process of international cooperation that has already brought us so far.

These are the measures we must continue. This is the path we must follow. We must go on, working with our free associates, building an international structure for military defense, and for economic, social, and political progress. We must be prepared for war, because war may be thrust upon us. But the stakes in our search for peace are immensely higher than they have ever been before.

Implications of the Atomic Age

For now we have entered the atomic age, and war has undergone a technological change which makes it a very different thing from what it used to be. War today between the Soviet empire and the free nations might dig the grave not only of our Stalinist opponents, but of our own society, our world as well as theirs.

This transformation has been brought to pass in the 7 years from Alamogordo to Eniwetok. It is only 7 years, but the new force of atomic energy has turned the world into a very different kind of place.

Science and technology have worked so fast that war's new meaning may not yet be grasped by all the peoples who would be its victims; nor, perhaps, by the rulers in the Kremlin. But I have been President of the United States, these 7 years, responsible for the decisions which have brought our science and our engineering to their present

place. I know what this development means now. I know something of what it will come to mean in the future.

We in this Government realized, even before the first successful atomic explosion, that this new force spelled terrible danger for all mankind unless it were brought under international control. We promptly advanced proposals in the United Nations to take this new source of energy out of the arena of national rivalries, to make it impossible to use it as a weapon of war. These proposals, so pregnant with benefit for all humanity, were rebuffed by the rulers of the Soviet Union.

The language of science is universal, the movement of science is always forward into the unknown. We could not assume that the Soviet Union would not develop the same weapon, regardless of all our precautions, nor that there were not other and even more terrible means of destruction lying in the unexplored field of atomic energy.

We had no alternative, then, but to press on, to probe the secrets of atomic power to the uttermost of our capacity, to maintain, if we could, our initial superiority in the atomic field. At the same time, we sought persistently for some avenue, some formula, for reaching an agreement with the Soviet rulers that would place this new form of power under effective restraints—that would guarantee no nation would use it in war. I do not have to recount here the proposals we made, the steps taken in the United Nations, striving at least to open a way to ultimate agreement. I hope and believe that we will continue to make these efforts so long as there is the slightest possibility of progress. All civilized nations are agreed on the urgency of the problem and have shown their willingness to agree on effective measures of control—all save the Soviet Union and its satellites. But they have rejected every reasonable proposal.

Meanwhile, the progress of scientific experiment has outrun our expectations. Atomic science is in the full tide of development; the unfolding of the innermost secrets of matter is uninterrupted and irresistible. Since Alamogordo we have developed atomic weapons with many times the explosive force of the early models, and we have produced them in substantial quantities. And recently, in the thermonuclear tests at Eniwetok, we have entered another stage in the world-shaking development of atomic energy. From now on, man moves into a new era of destructive power, capable of creating explosions of a new order of magnitude, dwarfing the mushroom clouds of Hiroshima and Nagasaki.

We have no reason to think that the stage we have now reached in the release of atomic energy will be the last. Indeed, the speed of our scientific and technical progress over the last 7 years shows no signs of abating. We are being hurried forward, in our mastery of the atom, from one discovery to another, toward yet unforeseeable peaks of destructive power.

Inevitably, until we can reach international agreement, this is the path we must follow. And we must realize that no advance we make is unattainable by others, that no advantage in this race can be more than temporary.

The war of the future would be one in which man could extinguish millions of lives at one blow, demolish the great cities of the world, wipe out the cultural achievements of the past—and destroy the very structure of a civilization that has been slowly and painfully built up through hundreds of generations.

Such a war is not a possible policy for rational men. We know this, but we dare not assume that others would not yield to the temptation science is now placing in their hands.

Words of Advice to Stalin

With that in mind, there is something I would say to Stalin: You claim belief in Lenin's prophecy that one stage in the development of Communist society would be war between your world and ours. But Lenin was a pre-atomic man, who viewed society and history with pre-atomic eyes. Something profound has happened since he wrote. War has changed its shape and its dimension. It cannot now be a "stage" in the development of anything save ruin for your regime and your homeland.

I do not know how much time may elapse before the Communist rulers bring themselves to recognize this truth. But when they do, they will find us eager to reach understandings that will protect the world from the danger it faces today.

It is no wonder that some people wish that we had never succeeded in splitting the atom. But atomic power, like any other force of nature, is not evil in itself. Properly used, it is an instrumentality for human betterment. As a source of power, as a tool of scientific inquiry, it has untold possibilities. We are already making good progress in the constructive use of atomic power. We could do much more if we were free to concentrate on its peaceful uses exclusively.

Atomic power will be with us all the days of our lives. We cannot legislate it out of existence. We cannot ignore the dangers or the benefits it offers.

I believe that man can harness the forces of the atom to work for the improvement of the lot of human beings everywhere. That is our goal. As a nation, as a people, we must understand this problem, we must handle this new force wisely through our democratic processes. Above all, we must strive, in all earnestness and good faith, to bring it under effective international control. To do this will require much wisdom and patience and firmness. The awe-inspiring responsibility in this field now falls on a new Administration and a new Congress. I will give them my support, as I am sure all our citizens will, in whatever con-

structive steps they may take to make this newest of man's discoveries a source of good and not of ultimate destruction.

We cannot tell when or whether the attitude of the Soviet rulers may change. We do not know how long it may be before they show a willingness to negotiate effective control of atomic energy and honorable settlements of other world problems. We cannot measure how deep-rooted are the Kremlin's illusions about us. We can be sure, however, that the rulers of the Communist world will not change their basic objectives lightly or soon.

The Communist rulers have a sense of time about these things wholly unlike our own. We tend to divide our future into short spans, like the 2-year life of this Congress, or the 4 years of the next Presidential term. They seem to think and plan in terms of generations. And there is, therefore, no easy, short-run way to make them see that their plans cannot prevail.

This means there is ahead of us a long hard test of strength and stamina, between the free world and the Communist domain—our politics and our economy, our science and technology against the best they can do—our liberty against their slavery—our voluntary concert of free nations against their forced amalgam of "people's republics"—our strategy against their strategy—our nerve against their nerve.

Above all, this is a test of the will and the steadiness of the people of the United States.

There has been no challenge like this in the history of our Republic. We are called upon to rise to the occasion as no people before us.

What is required of us is not easy. The way we must learn to live, the world we have to live in, cannot be so pleasant, safe or simple as most of us have known before, or confidently hoped to know.

Already we have had to sacrifice a number of accustomed ways of working and of living, much nervous energy, material resources, even human life. Yet if one thing is certain in our future, it is that more sacrifice still lies ahead.

Were we to grow discouraged now, were we to weaken and slack off, the whole structure we have built these past 8 years would come apart and fall away. Never then, no matter by what stringent means, could our free world regain the ground, the time, the sheer momentum, lost by such a move. There can and should be changes and improvements in our programs to meet new situations, serve new needs. But to desert the spirit of our basic policies, to step back from them now would surely start the free world's slide toward the darkness that the Communists have prophesied—toward the moment for which they watch and wait.

If we value our freedom and our way of life and want to see them safe, we must meet the chal-

lenge and accept its implications, stick to our guns and carry out our policies.

I have set out the basic conditions, as I see them, under which we have been working in the world and the nature of our basic policies. What, then, of the future? The answer, I believe, is this: As we continue to confound Soviet expectations, as our world grows stronger, more united, more attractive to men on both sides of the Iron Curtain, then inevitably there will come a time of change within the Communist world. We do not know how that change will come about, whether by deliberate decision in the Kremlin, by *coup d'état*, by revolution, by defection of satellites, or perhaps by some unforeseen combination of factors such as these.

But if the Communist rulers understand they cannot win by war, and if we frustrate their attempts to win by subversion, it is not too much to expect their world to change its character, moderate its aims, become more realistic and less implacable, and recede from the Cold War they began.

Do not be deceived by the strong face, the look of monolithic power that the Communist dictators wear before the outside world. Remember their power has no basis in consent. Remember they are so afraid of the free world's ideas and ways of life, they do not dare to let their people know about them. Think of the massive effort they put forth to try to stop our campaign of truth from reaching their people with its message of freedom.

The masters of the Kremlin live in fear their power and position would collapse were their own people to acquire knowledge, information, comprehension about our free society. Their world has many elements of strength, but this one fatal flaw: the weakness represented by their Iron Curtain and their police state. Surely, a social order at once so insecure and so fearful must ultimately lose its competition with our free society.

Provided just one thing—and this I urge you to consider carefully—provided that the free world retains the confidence and the determination to outmatch the best our adversary can accomplish and to demonstrate for uncertain millions on both sides of the Iron Curtain the superiority of the free way of life.

That is the test upon all the free nations; upon none more than our own Republic.

Our resources are equal to the task. We have the industry, the skills, the basic economic strength. Above all, we have the vigor of free men in a free society. We have our liberties. And while we keep them, while we retain our democratic faith, the ultimate advantage in this hard competition lies with us, not with the Communists.

But there are some things that could shift the advantage to their side. One of the things that could defeat us is fear—fear of the task we face,

fear of adjusting to it, fear that breeds more fear, sapping our faith, corroding our liberties, turning citizen against citizen, ally against ally. Fear could snatch away the very values we are striving to defend.

Already the danger signals have gone up. Already the corrosive process has begun. And every diminution of our tolerance, each new act of enforced conformity, each idle accusation, each demonstration of hysteria—each new restrictive law—is one more sign that we can lose the battle against fear.

Facing the Future With Faith and Courage

The Communists cannot deprive us of our liberties—fear can. The Communists cannot stamp out our faith in human dignity—fear can. Fear is an enemy within ourselves, and if we do not root it out, it may destroy the very way of life we are so anxious to protect.

To beat back fear, we must hold fast to our heritage as free men. We must renew our confidence in one another, our tolerance, our sense of being neighbors, fellow citizens. We must take our stand on the Bill of Rights. The inquisition, the star chamber, have no place in a free society.

Our ultimate strength lies, not alone in arms, but in the sense of moral values and moral truths that give meaning and vitality to the purposes of free people. These values are our faith, our inspiration, the source of our strength and our indomitable determination.

We face hard tasks, great dangers. But we are Americans and we have faced hardships and uncertainty before, we have adjusted before to changing circumstances. Our whole history has been a steady training for the work it is now ours to do.

No one can lose heart for the task, none can lose faith in our free ways, who stops to remember where we began, what we have sought, and what accomplished, all together as Americans.

I have lived a long time and seen much happen in our country. And I know out of my own experience that we can do what must be done.

When I think back to the country I grew up in—and then look at what our country has become—I am quite certain that having done so much, we can do more.

After all, it has been scarcely 15 years since most Americans rejected out-of-hand the wise counsel that aggressors must be "quarantined." The very concept of collective security, the foundation stone of all our actions now, was then strange doctrine, shunned and set aside. Talk about adapting; talk about adjusting; talk about responding as a people to the challenge of changed times and circumstances—there has never been a more spectacular example than this great change in America's outlook on the world.

Let all of us pause now, think back, consider

carefully the meaning of our national experience. Let us draw comfort from it and faith, and confidence in our future as Americans.

The Nation's business is never finished. The basic questions we have been dealing with, these 8 years past, present themselves anew. That is the way of our society. Circumstances change and current questions take on different forms, new complications, year by year. But underneath, the great issues remain the same—prosperity, welfare, human rights, effective democracy, and above all, peace.

Now we turn to the inaugural of our new President. And in the great work he is called upon to do he will have need for the support of a united people, a confident people, with firm faith in one another and in our common cause. I pledge him my support as a citizen of our Republic, and I ask you to give him yours.

To him, to you, to all my fellow citizens, I say, Godspeed.

May God bless our country and our cause.

HARRY S. TRUMAN

THE WHITE HOUSE,
January 7, 1953.

Revised Budget Estimate For Fiscal 1953

White House press release dated January 9

In the 1953 Budget, which was transmitted to the Congress in January 1952,¹ budget expenditures for the fiscal year 1953 were estimated at 85.4 billion dollars. In the 1954 Budget now being transmitted,² expenditures for 1953 are estimated at 74.6 billion dollars, a decrease of 10.8 billion dollars.

The original estimate was made 6 months before the fiscal year 1953 began and was based on program plans as they then existed. The current revision has been prepared with the benefit of 5 months' actual experience in the fiscal year 1953—from July through November. It reflects production difficulties, amendments to the 1953 Budget made after it was transmitted to the Congress, and the effects of appropriations and other legislation enacted during the last session of the Eighty-second Congress.

As the following table indicates, the decline in estimated expenditures for 1953 is largely the result of revisions in the major national security programs—military services, international security and foreign relations, atomic energy, and a few other directly defense-related programs:

¹ H. doc. 285, 82d Cong., 1st sess.

² H. doc. 16, 83d Cong., 1st sess., transmitted Jan. 9.

ESTIMATED EXPENDITURES FOR FISCAL YEAR 1953

(In billions)

Program	January 1952 estimate	January 1953 estimate	Increase (+) or decrease (-)
Major national security			
Military services . . .	\$51.2	\$44.4	\$-6.8
International security and foreign relations .	10.8	6.0	-4.8
Development and control of atomic energy .	1.8	2.0	+.2
Promotion of the merchant marine2	.2	...
Promotion of defense production and economic stabilization .	.8	.5	-.3
Civil defense3	.1	-.2
Total, major national security	65.1	53.2	-11.9
Interest	6.2	6.5	+.3
Veterans' services and benefits	4.2	4.5	+.3
All other	9.9	10.4	+.5
TOTAL	85.4	74.6	-10.8

The downward revision of 11.9 billion dollars in estimated expenditures for major national security programs occurs almost entirely in the estimates for our own military services and for foreign aid. It reflects lower levels of production and delivery of military equipment for our Armed Forces and for the foreign military-assistance program than were scheduled last January. The monthly levels of production scheduled a year ago, upon which the estimates in the 1953 Budget were based, turned out to be too high in the light of the complex designs of military equipment and the difficulties encountered in firming up contracts before they were let. In addition, the original estimate of expenditures has been reduced because the Congress authorized smaller programs for the Department of Defense and the Mutual Security Program than were included in the 1953 Budget. Labor-management disputes, particularly those in the steel and aircraft manufacturing industries, also slowed down the rate of deliveries and of expenditures.

Expenditures for the atomic-energy program in the fiscal year 1953 are now estimated .2 billion dollars higher than a year ago because of the expansion of the program approved by the second session of the Eighty-second Congress after the 1953 Budget had been transmitted. Primarily because more private financing was available than had originally been anticipated, direct Government expenditures for expanding defense production are now estimated .3 billion dollars lower than in January 1952. The decline of .2 billion dollars in estimated expenditures for civil defense

is largely the result of a substantial reduction by the Congress in the appropriation recommended by the President in the 1953 Budget.

On the whole, expenditures for other programs in 1953 are now expected to be 1.1 billion dollars higher than they were estimated a year ago. The increase in the estimate for interest is due mainly to the fact that an extra interest-payment period on some securities fell within the fiscal year 1953. The increase in estimated expenditures for veterans' services and benefits reflects primarily the legislation enacted during the second session of the Eighty-second Congress providing readjustment benefits for Korean veterans and increased pensions. Increased expenditure estimates for farm-price support programs (primarily Commodity Credit Corporation) and for mortgage purchases by the Federal National Mortgage Association account for the rise in the estimate for all other programs.

Commission on Immigration and Naturalization Reports to the President

Following are excerpts from the report of the President's Commission on Immigration and Naturalization, released January 1:

Letter of Transmittal

JANUARY 1, 1953.

DEAR MR. PRESIDENT:

The President's Commission on Immigration and Naturalization submits to you its report pursuant to your request of September 4, 1952, and Executive Order No. 10382.¹

We believe that the separately printed record of hearings held by the Commission provides information of permanent value to the executive and legislative branches of the Government. The work could not have been done without the whole-hearted cooperation of many individuals, organizations, and institutions interested in the problem.

The Commission hopes that its study and recommendations will contribute to public understanding of this vital matter, and assist the Congress in the consideration of legislation to improve the immigration and naturalization laws and policies of the United States.

Respectfully submitted,

THOMAS G. FINUCANE
ADRIAN S. FISHER
THADDEUS F. GULLIXSON
Msgr. JOHN O'GRADY
CLARENCE E. PICKETT
EARL G. HARRISON
Vice Chairman
PHILIP B. PERLMAN
Chairman

HARRY N. ROSENFIELD
Executive Director

¹ BULLETIN of Sept. 15, 1952, pp. 407-408.

Introduction

The President of the United States established the President's Commission on Immigration and Naturalization on September 4, 1952, and required it to make a final report not later than January 1, 1953. He directed the Commission "to study and evaluate the immigration and naturalization policies of the United States" and to make recommendations "for such legislative, administrative, or other action as in its opinion may be desirable in the interest of the economy, security, and responsibilities of this country."

This Report is the result of the Commission's study, and contains the recommendations for an immigration policy best suited, in its judgment, to the interests, needs, and security of the United States. The Commission's functions under the Executive Order are now completed, and it ceases to exist 30 days after this Report is submitted to the President.

It is noteworthy that all the major religious faiths of America urged the President to appoint a commission for this general purpose. The General Board of the National Council of the Churches of Christ in the United States of America issued a statement to this effect in March 1952. In August 1952, the American Council of Voluntary Agencies for Foreign Service, through its Committee on Displaced Persons and Refugees, urged the creation of a commission to study the basic assumptions of our immigration policy. Its statement was signed by representatives of the War Relief Services of the National Catholic Welfare Conference, the Church World Service of the National Council of the Churches of Christ, the United Service for New Americans, and the National Lutheran Council. And in September 1952, the General Convention of the Protestant Episcopal Church urged the appointment of a commission to study the need for emergency

refugee legislation and "to review our permanent immigration policy and its basic assumptions."

It became evident during the debate in Congress and public discussions after the passage June 27, 1952, of the Immigration and Nationality Act of 1952 (generally known as the McCarran-Walter Act) over the President's veto,² that the new legislation does not adequately solve immigration and naturalization problems, and that the codification it contains fails to embody principles worthy of this country.

Immigration and nationality law in the United States should perform two functions. First, it should regulate the admission and naturalization of aliens in the best interests of the United States. Second, it should properly reflect the traditions and fundamental ideals of the American people in determining "whom we shall welcome to a participation of all our rights and privileges."

This Report discusses the manner in which the law presently regulates the admission and naturalization of aliens, recommends revisions, and explains why the Commission believes these revisions better serve the welfare and security of the United States.

As a separate document, the Judiciary Committee of the House of Representatives has published the extensive record of the 30 sessions of hearings held by the Commission in 11 cities in various sections of the country. The record shows what a substantial and representative cross section of the American people believe to be the best immigration policy for this country.

It is appropriate to examine the second function of immigration policy, the reflection of American traditions and ideals. The Commission would state them as follows:

WE HOLD THESE TRUTHS . . .

1. *America was founded upon the principle that all men are created equal, that differences of race, color, religion, or national origin should not be used to deny equal treatment or equal opportunity.*

Americans have regarded such doctrines as self-evident since the Declaration of Independence.

The immigration law is a key to whether Americans today believe in the essential worth and dignity of the individual human being. It is a clue to whether we really believe that all people are entitled to those "unalienable rights" for the preservation of which our nation was created. It indicates the degree of American humanitarianism. It is a gauge of our faithfulness to the high moral and spiritual principles of our founding fathers—to whom people, as the children of God, were the most important resources of a free nation.

2. *America historically has been the haven for the oppressed of other lands.*

² For text of the veto message, see *ibid.*, July 14, 1952, p. 78.

The immigration law is an index of the extent of our acceptance of the principle that tyranny is forever abhorrent and that its victims should always find asylum in the land of the free. It tests whether we continue to believe that the home of the brave should offer a promise of opportunity to people courageous enough to leave their ancestral homelands, to search for liberty. It is a measure of our fidelity to the doctrine upon which this country was founded, the right of free men to freedom of movement. The immigration law discloses whether Americans still concur in George Washington's challenge:

". . . to bigotry no sanction, to persecution no assistance."

3. *American national unity has been achieved without national uniformity.*

The immigration law demonstrates whether we abide by the principle that the individual should be free of regimentation. It attests whether we still respect differences of opinion and the right to disagree with the prevailing ideas of the majority, and whether we still welcome new knowledge, new ideas, and new people. It reveals the strength or weakness of our convictions that democracy is the best philosophy and form of government.

4. *Americans have believed in fair treatment for all.*

The immigration law is a yardstick of our approval of fair play. It is a challenge to the tradition that American law and its administration must be reasonable, fair, and humane. It betokens the current status of the doctrine of equal justice for all, immigrant or native.

5. *America's philosophy has always been one of faith in our future and belief in progress.*

The immigration law indicates our outlook on the future of America. Those who have faith in a dynamic, expanding, and strong American economy see immigration not only as a part of our heritage but also as essential to our future. On the other hand, those who regard the future of America in terms of a static economy and a maximum population, view immigration with alarm.

6. *American foreign policy seeks peace and freedom, mutual understanding and a high standard of living for ourselves and our world neighbors.*

The immigration law is an image in which other nations see us. It tells them how we really feel about them and their problems, and not how we say we do. It is also an expression of the sincerity of our confidence in ourselves and our institutions. An immigration law which reflects fear and insecurity makes a hollow mockery of confident world leadership. Immigration policy is an important and revealing aspect of our foreign policy.

No doubt our ideals have not been honored in America at every moment and in every respect. But they have certainly governed our thought and

actions over the 175 years of the nation's life. They will continue to do so. The Commission believes that these traditions and ideals should be basic to our immigration laws. Insofar as our immigration policy violates these American traditions and ideals, it weakens the foundations of our liberty and undermines our security and well-being. It also damages our position of leadership and destroys the esteem and good reputation the United States has earned in the past.

Other considerations must also condition our immigration laws, such as the protection and preservation of our security against the dangerous and the diseased. The Commission emphasizes that one of its major concerns in applying these principles has been the necessity for the immigration law to safeguard the welfare and security of the United States. However, it is convinced that a full regard for protecting our national security does not require a hostile attitude toward immigration; on the contrary, it believes that full security can be achieved only with a positive immigration policy based not on fears but on faith in people and in the future of a democratic and free United States.

WHAT WE BELIEVE

The Commission believes that immigration has given strength to this country not only in manpower, new industries, inventiveness, and prosperity, but also in new ideas and new culture. Immigrants have supplied a continuous flow of creative abilities and ideas that have enriched our nation.

The Commission believes that an outstanding characteristic of the United States is its great cultural diversity within an overriding national unity. The American story proves, if proof were needed, that such differences do not mean the existence of superior and inferior classes.

The Commission believes that it is contrary to the American spirit to view every alien with suspicion and hostility. The Commission is convinced that the American people will not knowingly tolerate immigration laws that reflect distrust, discrimination, and dangerous isolationism. The Commission believes that the American people are entitled to a positive, not a negative immigration policy, and that they desire a law geared to the forward-looking objectives of a great world power.

The Commission believes that although immigrants need the United States, it is also true that the United States needs immigrants, not only for its domestic or foreign benefit, but also to retain, reinvigorate and strengthen the American spirit.

The Commission believes that we cannot be true to the democratic faith of our own Declaration of Independence in the equality of all men, and at the same time pass immigration laws which discriminate among people because of national origin, race, color, or creed. We cannot continue to bask

in the glory of an ancient and honorable tradition of providing haven to the oppressed, and belie that tradition by ignoble and ungenerous immigration laws. We cannot develop an effective foreign policy if our immigration laws negate our role of world leadership. We cannot defend civil rights in principle, and deny them in our immigration laws and practice. We cannot boast of our magnificent system of law, and enact immigration legislation which violates decent principles of legal protection.

Nor can we ourselves really believe, or persuade others to think that we believe, that the United States is a dynamic, expanding, and prosperous country if our immigration law is based upon a fear of catastrophe rather than a promise and hope for greater days ahead.

The Commission believes that our present immigration laws—

flout fundamental American traditions and ideals,
display a lack of faith in America's future,
damage American prestige and position among other nations,
ignore the lessons of the American way of life.

The Commission believes that laws which fail to reflect the American spirit must sooner or later disappear from the statute books.

The Commission believes that our present immigration law should be completely rewritten.

Immigration and Our Foreign Policy

The Commission is convinced that our present immigration law has a detrimental effect upon our foreign relations in a variety of ways.

Discriminatory racial and national restrictions in immigration law have made enemies for the United States in the past, and will continue to lose us friends as long as they remain in the law. In this respect, our immigration law conflicts with American propaganda abroad, an important arm of foreign policy, which emphasizes equality and mutual interests among the free nations. Present immigration law causes large areas of the world, of greatest importance to our own national security and welfare, to resent us and view us with growing distrust.

The immigration laws of the United States frustrate our foreign policy by hindering our efforts in friendly and allied countries to encourage their political stability and unity, rebuild their economies and strengthen their military power.

Rigidity in the national origins quota system prevents the United States from acting quickly and effectively in helping to relieve refugee and overpopulation problems when and where they arise. Population pressure gives rise to economic and political instability and thus augments the very conditions which foreign aid programs of the United States are designed to ameliorate. More-

over, the inability of the United States to deal flexibly with refugee and overpopulation pressures reduces the influence this country might exert on other countries to help solve these problems.

Our present national origins quota system prevents the United States from giving asylum to escapees from the Iron Curtain countries. Besides being contrary to American traditions, this barrier tends to disillusion the escapees, and denies us the value of their help in organizing effective pro-democratic appeals. The present immigration law is inconsistent with the aim of our foreign policy to uphold the values of freedom in contrast to the chains of Communist dictatorship. The effect is to blunt one of our most important psychological weapons in the cold war.

Our immigration law and procedures have had the effect, in some instances, of keeping out temporary visitors who should be welcomed to this country. The testimony has shown that important circles in friendly foreign countries are growing resentful of American immigration policy, and are losing confidence in the sincerity of American professions of devotion to democracy.

The Commission's study of the effect of the present immigration laws upon our foreign relations leads to this conclusion: in order to advance our national interests, strengthen our security, and contribute to the achievement of our foreign aims, American immigration policy should be free from discrimination on the basis of nationality, race, creed, or color and should be flexible enough to permit the United States to engage fully in such special migration efforts as may be important to the security of the Free World.

The Administrative Agency

The Commission recommends:

1. That a Commission on Immigration and Naturalization be created, to be appointed by the President subject to Senate confirmation, responsible for the administration of all immigration and naturalization laws.

2. That present duplication of functions between the consular officers in the Foreign Service of the Department of State and the immigrant inspectors in the Immigration and Naturalization Service of the Department of Justice be eliminated, and that a consolidated service under an Administrator of Immigration and Naturalization responsible to the proposed Commission be substituted.

3. That a Board of Immigration and Visa Appeals be created under the proposed Commission, with final administrative appellate authority (except in cases involving the exercise of discretion) in all cases of visa denials, exclusions, deportations, and other related matters.

ADDITIONAL VIEWS OF ADRIAN S. FISHER LEGAL ADVISER, DEPARTMENT OF STATE

I concur wholeheartedly in the policy recommendations in the report of the President's Commission on Immigration and Naturalization. I believe that their prompt adoption would be in the interest of the United States, both in the conduct of its foreign relations and in the continued vigorous growth and development of its economy and its society. However, in only one small aspect of the report, that dealing with the administrative arrangements for the issuance of visas overseas, I cannot see eye to eye with my colleagues.

The Report proposes to set up, in effect, another separate foreign service by authorizing the Administrator of Immigration and Naturalization to set up visa offices overseas as part of the unified program. In view of the importance which the report places on the foreign policy of the United States, a view in which I wholly concur, I cannot see what is to be gained by separating the administration of the proposed program from the agency which is charged with the administration of the foreign policy of the United States. It may well be that the Department of State is subject to legitimate criticism in its activities under the present system for not having paid enough attention to the foreign policy aspects of the administration of the visa issuing function. But in my judgment the remedy for that defect is not to be found in divorcing it entirely from this function. It may well be true that in its administration of the visa function overseas the Department of State has relied excessively upon "experts;" that is, persons who spend a large proportion of their time doing nothing but visa work. If the Department, however, has erred in this respect, this tendency should be corrected, not accentuated, and the participation in the visa function of officers who have an over-all responsibility for the conduct of foreign relations should be encouraged, not made impossible.

The same can be said with reference to the problem of placing an additional group of United States officials in foreign countries to represent the United States of America. I am aware that my colleagues are led to their concept of administration by their views that a visa once issued should be final, and not subject to review at the port of entry except for identity, physical condition, and security status. From this they deduce, by the maxim of "No responsibility without authority," the conclusion that the visa issuing function must in turn be under the proposed commission. I wholly agree that a visa once issued should be final and not subject to review at the port of entry except for identity, physical condition, and security status. I wholly agree also that there should be an independent Commission on Immigration and Naturalization. I am completely in accord with the recommendation that there should be a formal procedure for review of consular decisions

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with respect to visas. However, I do not agree that these desirable ends require that persons other than consular officers should issue the visas.

I am reinforced in this view by the fact that in over 200 Foreign Service posts there is not an adequate work-load of visa cases to justify the establishment of a separate visa office. My examination of the statistics shows that almost 50 percent of all visas are issued in posts of this kind. The proposed solution—that is, to have the consul, in effect, act as a hearing officer but without any power of decision, even in a clear case—does not seem to me to be a satisfactory one. Certainly it does not seem to be satisfactory to have two separate systems, one disposing of 53 percent of the visas and the other disposing of 47 percent.

I believe the proposed Commission should avail itself of the very real advantages in using the Foreign Service to accomplish its requirements abroad, as do some 45 United States Government agencies at the present time. The proposed Commission would thus have a widespread, flexible, operating service with the particular advantage of utilizing its broad experience in foreign affairs. This experience will be invaluable in evaluating the intent of the alien, and his social, economic, and political background, and in estimating the effect of the alien's admission to the United States upon our foreign relations and domestic security and development.

The proposed Commission would have the same responsibility and authority, the same freedom in the issuance of substantive guidance and direction as it would enjoy with its own employees. It could participate with other government agencies, under procedures now established under the Foreign Service Act of 1946, in the selection, training, assignment, and promotion of Foreign Service personnel, and could participate in the day to day administration of the Service by the Department of State to the extent necessary to meet its requirements.

Except for this single administrative detail, I am in complete accord with the Commission's conclusions and recommendations.

Recommendations

Throughout this Report are various recommendations, appearing in the chapters in which particular subjects are discussed. The more important ones are briefly restated here, without reference to the order in which they appear elsewhere:

The Quota System

1. The national origins quota system should be abolished.
2. There should be a unified quota system, which would allocate visas without regard to national origin, race, creed, or color.
3. The maximum annual quota immigration should be one-sixth of 1 percent of the population

of the United States, as determined by the most recent census. Under the 1950 census, quota immigration would be open to 251,162 immigrants annually, instead of the 154,657 now authorized.

4. All immigration and naturalization functions now in the Department of State and the Department of Justice should be consolidated into a new agency, to be headed by a Commission on Immigration and Naturalization whose members should be appointed by the President and confirmed by the Senate.

5. The maximum annual quota of visas should be distributed, as determined by the proposed Commission on Immigration and Naturalization, on the basis of the following five categories:

The Right of Asylum
Reunion of Families
Needs in the United States
Special Needs in the Free World
General Immigration

6. For the next three years, within the maximum annual quota, there should be a statutory priority, implementing the Right of Asylum, for the admission annually of 100,000 refugees, ex-pellees, escapees, and remaining displaced persons.

7. The allocation of visas within the maximum annual quota should be determined, once every 3 years, by the proposed Commission on Immigration and Naturalization, subject to review by the President and the Congress.

Fair Hearings and Procedure

8. Enforcement functions should be exercised, under the Commission's supervision and control, by an Administrator. Quasi-judicial functions should be exercised, under the Commission's supervision, by a statutory Board of Immigration and Visa Appeals.

9. The same officials should not be permitted to exercise both enforcement and judicial functions. Aliens should be accorded a fair hearing and procedure in exclusion and deportation cases. Hearings in deportation cases should conform with the requirements of the Administrative Procedure Act. Hearing officers should be responsible only to the proposed Board of Immigration and Visa Appeals, which should have authority to exercise final administrative review of their decisions, subject to further review in limited cases by the Commission. Aliens should have a right of administrative review, before the Board of Immigration and Visa Appeals, from denials of visas; and have a clearly defined method of seeking court review of orders of deportation.

Admissions and Deportations

10. The conditions for admission of aliens into the United States should

bear a reasonable relationship to the national welfare and security;

be definite in their meaning and application; include discretionary authority to waive specified grounds of inadmissibility, in meritorious cases;

provide for exclusions without hearing, for reasons of security, only upon direction of the Board of Immigration and Visa Appeals; and not be based on the so-called criminal judgments of totalitarian states.

11. The grounds for deportation of aliens already in the United States should

bear a reasonable relationship to the national welfare and security; not be technical or excessive;

not be retroactive so as to penalize aliens for acts which were not prohibited when committed; and

not require the deportation of aliens who entered the country at an early age, or those who have been residents for such a long period as to become the responsibility of the United States.

12. In connection with the deportation of aliens, there should be discretionary authority to

allow them to depart voluntarily instead of deportation;

adjust their status within the United States if they are currently qualified to reenter;

suspend deportation under reasonable conditions; and

adjust the status of bona fide official defectors from totalitarianism.

13. A resident alien who is not otherwise deportable should not, by reason of a brief absence from the United States, be subject to exclusion or deportation.

14. Unless proceedings for deportation and denaturalization are brought within ten years, they should be barred.

15. Arrangements should be made to expedite the processing of visas for temporary visitors, including leaders in art, scientific and business fields, and the law should apply to such nonimmigrant aliens only such restrictions as are directly concerned with the health, safety, and security of the United States.

Security

16. The security of the United States should be protected by continuing to bar the entry of spies and saboteurs.

Aliens who are present members or affiliates of any totalitarian party, including Communists, Nazis, and Fascists, should be denied admission into the United States except where their membership is involuntary; or

affiliations is not knowingly or willingly to further the aims and principles of such parties. They should be deported except where they

entered the United States at an early age or have been residents for such a long period of time as to have become the responsibility of the United States.

Aliens who are former members or affiliates of any totalitarian party may be admitted provided they have repudiated and are now opposed to such totalitarian ideologies; and

the responsible administrative officers make a finding that the admission of such aliens would not be contrary to the public interest.

They should be deported unless they have repudiated such doctrines for at least five years.

Citizenship

17. The law should not discriminate against naturalized citizens but should place them in the same status as native-born citizens, except where citizenship was procured by fraud or illegality. The law should minimize or remove restrictions which create statelessness, disrupt family unity, or impose unreasonable conditions or procedures upon the acquisition or retention of citizenship.

Restrictions on Dairy Imports

Statement by the President

White House press release dated December 31

The Secretary of Agriculture announced yesterday [December 30] that he was applying some additional restrictions to imports of dairy products, in accordance with the provisions of Section 104 of the Defense Production Act.

Section 104 requires the Secretary of Agriculture to put restrictions on imports of dairy products in various circumstances, including the situation in which the restrictions may be needed to prevent unnecessary expenditures under a Government price-support program. Since the Government has recently been buying considerable amounts of butter and other dairy products, the Secretary had no choice but to restrict imports which might add unnecessarily to his purchases.

It is a thoroughly objectionable piece of legislation. It was tacked on to the Defense Production Act in 1951, over the Administration's opposition. The measures which the Secretary of Agriculture has been forced to take under its provisions will not be helpful to American interests. On the contrary, this kind of step in the end is bound to hurt not only our relations with other friendly countries but also the agricultural interests that the law is supposed to protect. While the restrictions

themselves are going to have very little effect on the American market, they are going to hurt our friends in the Netherlands, Sweden, New Zealand, and a number of other countries. These countries are going to lose dollars. They are going to be in a poorer position to buy American agricultural products and in a poorer position to finance their defense efforts. This is the kind of law which makes the job of the Kremlin's propaganda experts a great deal easier. The only recourse I can see is to repeal this provision of the law.

Joint Emergency Loan to Afghanistan for Wheat

Press release 10 dated January 8

The Department of State and the Export-Import Bank of Washington announced on January 8 an emergency loan of 1.5 million dollars to Afghanistan for the procurement of wheat and flour from the United States. Sardar Mohammad Naim, Afghanistan's Ambassador to Washington, with Herbert E. Gaston, Chairman of the Board of Directors of the Export-Import Bank, and officials of the Department of State concluded loan arrangements in a ceremony at the Bank.

In normal years Afghanistan is self-sufficient in wheat, which is its basic food. However, this year Afghanistan must import a substantial proportion of its wheat needs. The extent of Afghanistan's wheat shortage and the limitations of its foreign-exchange position are such that the U.S. Government has felt it necessary to take prompt steps to meet the request of the Government of Afghanistan for the acquisition of wheat and flour from the United States.

The loan to the Government of Afghanistan is being made by the Export-Import Bank, using funds to be disbursed by the Technical Cooperation Administration and made available under the authority provided in the Mutual Security Act of 1951, as amended. The loan is to run for 35 years with interest at 2½ percent per annum, interest payments to begin after 4 years and repayment of principal to begin after 6 years. The wheat and flour thus provided is to be distributed by the Government of Afghanistan in certain critical areas of the country to supplement quantities procured locally.

Serious adverse crop conditions in Afghanistan have resulted in a drastic wheat shortage, with the result that in some normally surplus areas the yield was less than two-thirds of the 1951 harvest. It is expected that the wheat and flour will begin to move almost immediately to meet the emergency need of this country situated in South Asia on the borders of Iran, Pakistan, and the U.S.S.R.

Panel of Consultants Submits Study Concerning Armaments

Press release 13 dated January 9

On April 28, 1952, the Department of State announced the appointment of a Panel of Consultants to advise and assist the Department and other agencies of the Government in connection with the work of the U.N. Disarmament Commission. The members of the Panel are:

Vannevar Bush, Carnegie Institute of Washington
John Dickey, President, Dartmouth College
Allen W. Dulles, Deputy Director, Central Intelligence Agency
Joseph E. Johnson, Carnegie Endowment for International Peace
J. Robert Oppenheimer, Director, Institute for Advanced Study

The Panel elected Dr. Oppenheimer chairman, and selected McGeorge Bundy, associate professor of Government at Harvard University, as executive secretary. The Panel has held some 20 meetings.

The Panel has also from time to time discussed a number of specific problems with officers of the Department of State and with members of the U.S. delegation to the United Nations. The Panel has now concluded its work with the submission to the Secretary of State of a study concerning armaments and American policy. This paper embodies the findings and recommendations of the Panel and will be available to the incoming Secretary.

Liberian Lend-Lease Payment

Press release 918 dated December 15

On December 10 the Liberian Government, through its Embassy at Washington, remitted checks totaling \$150,000 to the U.S. Government. This sum represents the first amortization payments made by the Liberian Government to the United States for lend-lease expenditures in connection with the construction of the Port of Monrovia.

The cost of the Port construction was \$20,000,000 and will be paid back in full from the money earned by operation of the Port facilities.

Letter of Credence

Great Britain

The newly appointed Ambassador of Great Britain, Sir Roger Makins, presented his credentials to the President on January 7, 1953. For the texts of the Ambassador's remarks and the President's reply, see Department of State press release 8 of January 7.

Inter-American Cooperation on Highway Problems

**EXTRAORDINARY PAN AMERICAN HIGHWAY CONGRESS,
MEXICO CITY, OCTOBER 26 TO NOVEMBER 1, 1952**

by Jack Garrett Scott and Melville E. Osborne

An Extraordinary Pan American Highway Congress met at Mexico City from October 26 to November 1, 1952. This special meeting was held chiefly to consider problems related to the possible establishment of a permanent highway organization which would function in the intervals between the periodic Pan American Highway Congresses, pursuant to a provision made by the Fifth Pan American Congress, held at Lima in 1951. Other projects studied during the Congress concerned methods of planning, financing, constructing, maintaining, and elaborating the highway systems of all the Latin American Republics.

The Congress was attended by more than 300 official delegates and observers, including official representatives from 16 of the American Republics. The U.S. Government was represented by the following delegation:

Chairman

Jack G. Scott, Under Secretary of Commerce for Transportation, Department of Commerce

Special congressional delegate

Spessard L. Holland, U.S. Senate

Delegates

Robert B. Brooks, Consulting Engineer, St. Louis, Mo.
Edwin W. James, Chief, Inter-American Regional Office,
Bureau of Public Roads, Department of Commerce
Henry H. Kelly, Office of Transportation and Communications, Bureau of Economic Affairs, Department of State

Charles P. Nolan, Officer in Charge, Transportation and Communications, Bureau of Inter-American Affairs, Department of State

Russell Singer, Executive Vice President, American Automobile Association, Washington, D. C.

Francis Turner, Assistant to the Commissioner, Bureau of Public Roads, Department of Commerce

Secretary

Melville Osborne, Assistant Attaché, American Embassy, Mexico City

All delegations were agreed on the urgency and need for completing the Pan American Highway

at the earliest opportunity and undertook their discussions in a spirit of complete harmony and unity of purpose.

Resolutions Adopted by the Congress

The principal question, that of the possible formation of a pan-American highway organization of permanent character, was considered initially by the commission dealing with international relations. The plan which emerged from the commission's deliberations and which was finally adopted by the Congress in plenary session (1) eliminated all previously organized bodies designed to provide continuity between Pan American Highway Congresses;¹ (2) established a new Interim Committee to implement the resolutions of this and previous Congresses until the next Highway Congress meets;² (3) accepted the offer of the Organization of American States to provide, through the Pan American Union, secretariat services for future Highway Congress activities; and (4) established three Technical Committees of Experts. These working groups are to make studies and recommendations, respectively, on (1) the problems of the organization of modern national highway departments; (2) planning of the Pan American Highway and its secondary road system, particularly where such routing crosses international boundaries; and (3) the financing of public highways. Each of the 21 American Republics was appointed to serve on at least one of these working groups of experts.

¹ The organizations terminated were the Permanent Institution of Pan American Highway Congresses, including the Central Committee of that body, and the Pan American Highway Confederation, a semiofficial group which had been in existence for several years.

² The Sixth Highway Congress is scheduled to meet in Venezuela in 1954, at which time the Interim Committee will be disbanded in favor of whatever new organization is set up by that Congress.

Statement by Senator Holland

Following are excerpts from a statement made on October 29 at the Pan American Highway Congress by Senator Spessard Holland, chairman of the Senate Subcommittee on Roads, who was a delegate to that meeting.

The United States favors the early completion of the Inter-American Highway, which will provide modern and efficient overland communication through the friendly Republics extending from Panama to the United States. As tangible evidence of our continuing interest and cooperation, the United States has given substantial assistance, technically and financially, to the construction of the highway.

For example, under legislation enacted by the U.S. Congress and through bilateral agreements entered into with individual Republics for the purpose of sharing construction costs, more than 40 million dollars has already been spent or committed by the United States, most of it in recent years. As further assurance of our sincere and friendly interest, the U.S. Congress has this year authorized, but not yet appropriated, an additional sum of 16 million dollars, consisting of 8 million dollars for each of the next 2 fiscal years, 1953 and 1954, for the purpose of continuing the construction of this highway on a cooperative basis.

We all look forward to the early completion of the highway from Panama to the United States, so that all kinds of motor vehicles may move readily across this magnificently interesting and important region and promote its economic development, along with better hemispheric understanding and greater solidarity.

Mr. President, I wish to express the cordial appreciation of our Nation for the friendly mention appearing in the pending resolution of the part which the United States has played in this joint venture. We firmly believe that the completion of the Inter-American Highway will be highly beneficial to our Nation and to each of our friendly neighbors which it will traverse.

these committees and submit comments and suggestions on their final reports; (d) stimulate the distribution of information on pan-American highway problems and techniques through the facilities of the Secretariat of the Organization of American States; and (e) encourage the American Republics to adopt and put into effect the resolutions of all Highway Congresses. In cooperation with the Inter-American Economic and Social Council (IA-Ecosoc) of the Organization of American States, this committee will also handle the general functions of preparing for the next Congress. The Committee's first session will be convoked by the IA-Ecosoc.

A Transitory Committee was appointed to carry out the functions of the Interim Committee until such time as the latter is functioning. The members of the Transitory Committee were designated as the delegates to the Council of the Organization of American States from Argentina, Brazil, Mexico, Peru, and the United States.

During its discussion of the organization of national highway departments, a subject which will be studied by one of the working groups, the Congress adopted the report of a technical committee which recommended standards for the organization of highway departments in those countries without present adequate highway departments and presented in general outline the objectives to be reached in organizing a modern highway department.

The Congress adopted two practically identical resolutions, suggested by its Commission on Financial and Administrative Affairs, with regard to financing the Highway. One concerned financing the uncompleted sections of the Inter-American Highway, that part of the Pan American Highway extending from the Mexican-U.S. border to the Panama Canal, and the other concerned financing the remainder of the Pan American Highway. Both resolutions suggest a plan whereby the American Republics may seek the assistance of the International Bank for Reconstruction and Development in financing the uncompleted sections of the Highway within their borders. Under this plan the International Bank would purchase national bonds to guarantee any loans made.

The resolution concerning the Inter-American Highway expressed thanks to the United States for its financial and technical assistance which has made possible the building of the Highway to its nearly completed stage.

The Congress reviewed over 100 technical papers which had been recommended for publication by its commissions on road-engineering techniques, highway operation and safety, and highway education and rapprochement. A large percentage of the papers submitted was ordered published in the technical documentation of the Congress.

The Commission on Highway Operation and Safety considered numerous proposals and plans

Functions of the Interim Committee

The new Interim Committee, composed of the representatives of the Governments of Argentina, Brazil, Mexico, Peru, and the United States, was empowered to (a) study proposals and submit to the Sixth Congress draft plans on a permanent pan-American highway organization to provide continuity between Highway Congresses; (b) stimulate and coordinate the activities of the three working committees; (c) review the reports of

for improving highway safety in the Western Hemisphere. A number of these proposals were presented in plenary sessions for adoption by the Congress in the form of resolutions.

Construction Priorities Established

The Congress recommended that first priority in construction work be given the uncompleted sections of the Pan American Highway and second priority be given to transversal branches connecting the capitals of the American Republics with the arterial Highway. This resolution had particular significance for those Republics through whose capitals the Pan American Highway is not routed and whose resources are insufficient for immediate construction of both the arterial and the transversal highways desired.

In a resolution deriving from proposals made by its commission dealing with international relations, the Congress recommended the immediate signature and ratification by all American Republics of the International Convention on Road Traffic of 1949. This treaty, which came into force in March 1952,³ provides for world-wide reciprocity on automobile registration plates and drivers' licenses, as well as for other measures designed to facilitate international motoring, and will eventually supersede the 1943 Convention on the

Regulation of Inter-American Automotive Traffic. The Congress also recommended that the American Republics adopt an international convention on uniform road signs and signals when such a convention is presented for ratification by the United Nations.

The Commission on Highway Education and Rapprochement considered a number of technical proposals relating to public education on the importance of roads and highways.

A complete report on the activities and decisions of the Congress will be published in due course by the Mexican Organizing Committee.

Discussions in commission meetings and plenary sessions revealed clearly the desire of the delegates to establish a new and clear basis for cooperative activities, to work closely with the Organization of American States and its secretariat (the Pan American Union), and to insure that definite recommendations on numerous important problems are prepared for action at the next Congress in 1954. The Congress met in a spirit of mutual friendliness and cooperation, and unanimity was reached on all of its resolutions.

• *Messrs. Jack Garrett Scott and Melville E. Osborne, coauthors of the above article, were chairman and secretary, respectively, of the U.S. delegation to the Extraordinary Pan American Highway Congress.*

United Nations Progress in the Task of Peace

*Address by Ambassador Warren R. Austin
U.S. Representative to the United Nations⁴*

I talk with you at a time when our hearts are expanded by the Christmas message of Peace on Earth, Good Will Toward Men.

These words have a profound spiritual meaning. In my assignment as U.S. representative to the United Nations I have tried to act in accordance with them. Our job is to bring peace on earth, and to instill good will among men. In a moment I will report to you about these efforts.

But first I should like to acknowledge tribute to Woodrow Wilson. In my adoption of the United Nations, I have been strengthened by study of the Wilson tradition. I opposed the League of Nations, although I favored the World Court. During the dark days of World War I, President

Wilson's mission was to convince the world that it must organize itself for peace. He did that job well. Although the League of Nations foundered, President Wilson's ideas took deep root in the minds of men. His ideas, and the noble experiment they engendered, helped inspire our second great attempt to organize the world for peace—the United Nations.

My study has also given me the faith and courage of our forefathers, including our greatest Presidents. Now, my friends, my official mission is coming to a close. Soon I shall be turning over the task to an able and distinguished successor—Senator Henry Cabot Lodge, Jr.

This is an appropriate time for me to share with you my great faith in the United Nations. It is a faith tempered by the tragedy of our time—the tragedy that peace, so near our grasp, eludes us; the tragedy that freedom, even dearer than peace,

³ See BULLETIN of Apr. 7, 1952, p. 545.

⁴ Made over the NBC radio network on Dec. 27, in connection with the Woodrow Wilson Foundation's observance of the 96th birthday anniversary of President Wilson.

must be defended by force in Korea and elsewhere. But my faith is strengthened by the knowledge that those who fight in Korea understand Woodrow Wilson's words, "right is more precious than peace."

As an American and a Republican, I am deeply proud that we have taken leadership in the effort to make the United Nations work. This is a task which we owe history. We should not forget that our failure to make the League of Nations work contributed heavily to a tragic era. But America has gone through a profound revolution in its outlook on world affairs since then. We have dedicated our resources and our energies to full participation in world affairs because we know that our security and liberties permit no other course.

Let me give you a few concrete illustrations of the vast progress we have made since President Wilson's time, and more especially during the past 7 years. When the first clouds of aggression loomed in Manchuria, and Ethiopia, and Munich, the free nations failed the League. When the second aggression occurred, all member states of the United Nations—save the Soviet group—voluntarily and spontaneously united in resistance to aggression. Under inspiring American leadership, the United Nations first met force with force in Korea. That action was right in 1950, and it is right today. If we had not met the challenge in Korea, we would surely have been forced to meet it on our own shores.

But the political and military mission is still unfulfilled in Korea. Our hearts are heavy that American boys have to spend Christmas under fire. We are saddened by the sacrifice which the Korean peoples have been called upon to make. We are deeply moved by the fact that soldiers of many nations have given their lives for the common security against armed aggression.

These past weeks, we tried to find a peaceful solution through the General Assembly. But the Communists have made it perfectly clear that they will not stop the fighting unless we pay a price in human freedom which would mean our abandoning the cause we have been fighting for. Now 54 nations in the Assembly have said with unmistakable firmness that the free world will not pay that price. The free peoples have said that they will continue to oppose the Communists' armed forces and violation of moral obligations. We will not be a party to a forced repatriation of prisoners of war. Forced repatriation would result in mass murder. It would crush the spirit of resistance which sustains peoples against the threat of Communist aggression.

The stakes in Korea are world peace and human freedom. These the United Nations will never surrender. While our hearts are heavy that the fighting goes on, our faith and determination to see the job effective remains strong.

In reflecting on the past years of my mission, I think also of our success in healing conflicts.

There were times—in Palestine, in Indonesia, and in Kashmir—when the fighting seemed destined to go on forever. Yet the United Nations succeeded in stopping each armed conflict. It also succeeded in removing the controversy from the battlefield to the conference table. Is this not evidence that our courage and faith will prevail?

Recall the near conflicts, such as the Soviet pressure on Iran in 1946, when the United Nations helped to prevent war from starting.

I remind you also of the record the United Nations has made in adjusting difficult situations and working out settlements on thorny issues—such as the Indonesian question, which was brought from the battlefield to the conference table and was finally settled. Indonesia today is a sovereign state which participates as a member with us in the councils of the United Nations.

Recently we have had another example of the advantage of conciliation in the United Nations. The General Assembly was confronted by tense and difficult situations in North Africa. There was full and frank discussion of the Tunisian and Moroccan questions. The Assembly by large majorities agreed on resolutions which counsel negotiation between the parties—negotiation with respect to the political development of these countries. The Assembly helped create an atmosphere favorable to the working out of real solutions to these problems. Thus positive gain in the right direction was defined.

There is the extraordinary progress which the United Nations has made in facilitating better living conditions for the great majority of the world's peoples. In different ways the United Nations has spurred economic and social progress. It has brought hope to those who otherwise might have succumbed to Communist pretensions. If there is inadequate food, lack of freedom often seems relatively unimportant. What price glory to struggle against poverty and slavery? However, the United Nations has done the job on the ground—by showing peoples from Haiti to Thailand how to suppress malaria; how to grow more and better corn; how to read and write; how to build dams and irrigation systems. This work is of immense importance, for it helps stamp out the root causes of war, and it gives people a real stake in freedom.

In these past 7 years, we have learned much about the road to peace. We have seen U.N. achievements, and we have begun to learn that the United States is equal to the demand that the quest for peace imposes.

The road is rougher than we hoped it would be when we signed the Charter in 1945. We have lost some of the buoyant enthusiasm of those days, but we have gained the determined courage of a battle-tested veteran. We have found the direction, though time has not been speedy.

At this Christmastide, and at this time in my

career, I know as never before that this Nation cannot stand alone. It cannot survive without spiritual growth. It must strengthen its freedom now through fullest participation in and support for the United Nations.

My task is unfinished. The task of men is never finished. To Senator Henry Cabot Lodge, Jr., I

have confidence in turning over my official responsibilities. Carrying forward the task of peace is an assignment which enriches significance in history and adds new meaning to faith. The tremendous resources to guide the U.S. Mission to the United Nations are truth and an understanding heart.

A Reply to Charges Against the U. S. Economic System

*Statement by Senator Alexander Wiley
U.S. Representative to the General Assembly¹*

U.S./U.N. press release dated December 18.

Many unfounded charges have been made against the United States by the representative of the Soviet Union and the representatives of its satellite states. I have requested the opportunity to reply.

The representatives from the Soviet countries have had a great deal to say in this debate about the so-called "aggressive armaments race," allegedly instigated by the United States. It is true that we in the United States have decided to divert a large proportion of our productive capacity to building up our defenses. Why have we done so? We have done so because free peoples everywhere have seen aggression and threats of aggression—in Korea, in Malaya, in Yugoslavia, Berlin, and Greece, to mention but a few.

The fact is that the Soviet economy never really demobilized after the war. It continued to produce large quantities of weapons and to maintain large military forces. In the middle of 1950, almost 5 years after the end of the war, the Soviet Union still had approximately 4½ million men under arms. In contrast, the United States reduced its active military forces from about 12 million men in 1945 to 2½ million in 1946, and to 1½ million by the middle of 1950. We also cut down our military expenditures drastically. In terms of 1951 prices, our defense expenditures were reduced from 1944 to 1946 by almost 120 billion dollars. In contrast, the Soviet Union was devoting twice as great a proportion of its national income in 1946 to military expenditures as was the United States. In the years from 1947 to 1950,

the Soviet Union devoted almost three times as great a proportion of its national income to military purposes as the United States.

In the face of aggression and threats of aggression backed up by this huge Soviet military force, may I ask what alternatives were available to the free peoples of the world? Should they have supinely accepted the loss of their freedom? Until some enforceable international arrangement is accepted by the Soviet Union to curtail armaments and to assure against further Soviet aggression, is there any alternative to the American people other than to see to their defenses?

The American people are determined to remain free. The ruling classes in the United States—workers, farmers, and businessmen, almost 160 million of us—are determined to make every necessary sacrifice for this purpose. That is why we have embarked upon and will continue to pursue our program of rebuilding our defenses.

The financial burden of fighting Communist aggression in Korea has been heavy. The burden of rebuilding the defenses of the free world has been great. Despite this, the developed countries have not flagged in their support of practical development programs in the less developed regions. The volume of grants and loans available to these parts of the world in 1951 increased over the previous year and continued at approximately the same level in 1952. And I may repeat what has been so frequently said by my Government: The expansion of the economies of the underdeveloped countries is an integral part of our program to increase the strength of free peoples against the subversion and aggression which threaten them as well as ourselves.

Thanks to the high level of economic activity in

¹ Made in Committee II (Economic and Financial) on Dec. 18.

the United States, the American people have been able to continue their assistance in building up the free world. Our production has continued to expand in 1952. Our gross national product has risen from 325.6 billion dollars in the first half of 1951 to 333 billion dollars in the second half of the year and to 336.5 billion dollars in the first half of 1952.

Our employment has continued at record high levels. In the first half of 1952 civilian employment averaged 60.5 million. Unemployment declined from 3.3 percent of the civilian labor force in the first half of 1951 to 2.9 percent. Today, our unemployment figure is less than 1,500,000 people—of which more than one-half were only unemployed 4 weeks or less. And the standard of living of our workers has not declined—as many predicted that it would.

This does not mean that everything is perfect in the United States. There is still a need for soil conservation. There are still farms that need electricity. There is still a need for houses. Many parts of our country can use more and better schools and hospitals. There are still a number of people whose incomes do not permit them the standard of living that we think is adequate. We are conscious of these needs and we are striving to meet them.

Propaganda of "Collapse"

Do the figures I have just given sound like the description of a nation about to collapse economically—as the propaganda from Eastern Europe would lead us to believe? The figures I have quoted are evidence of an economic strength which will continue. When our defense expenditures start to level off, we shall be able to make the necessary adjustments. Our tax structure, our system of farm aid, our wage and income structures, the more equitable distribution of our national income, our system of social-security benefits—all these will serve to cushion such adjustments. Moreover, the indications are that private investment will remain high. And our wage structure and the large liquid assets in the hands of our workers and farmers should dispel any doubt as to the maintenance of high consumer spending.

The delegate from Poland has referred to the purposes that the Economic and Social Council and this Committee were meant to serve. We look upon these bodies as world economic forums where we might learn to understand each other's problems more thoroughly. The fact is, however, that at times this forum has been grossly abused. Instead of presenting honest information so that we might constructively aid one another, the delegates of the Soviet Union and the Eastern European states have used this forum to wage a propaganda war against the free world. Year after year, they have tried to spread the illusion that the United

States is a nation of greedy and bloody monopolies. They would have the world believe that we have no interest other than power and profits. The Soviet delegate has even gone so far as to say that our only interest in the less developed countries is to "suck the blood" of their economic life.

I do not think that I need identify the motives behind these systematic attacks. They are all too obvious.

No matter how long they continue this attack, however, and no matter how often they repeat their distortions, this *deliberate attempt to undermine world confidence in freedom*—whether it be human freedom or the freedom of enterprise—is doomed to failure. No matter how insistent their efforts to divide the free world by distortions and wild fabrications, they are doomed to failure.

They are doomed to failure because they refuse to accept the fact that the basic tenet of freedom is a profound faith in the individual human being. The basis of free government is that every single individual has inherent within him hopes and desires, talents and skills and abilities, which in an atmosphere of freedom and encouragement provide immense opportunities for development. Given the tools with which he may work his way—and by that I mean mainly a good education and his own inborn ability; and given the opportunity—and by that I mean a society in which he is free to develop and use his talents and skills—he will exert himself to the utmost of his energy to achieve the hopes which he holds dear.

And when I talk of freedom, I am not talking of unlimited business license. Nor do I mean that lack of self-discipline which was characteristic of much of the nineteenth century. American public opinion rejects the profiteer just as it does the rascal.

U.S. Attitude Toward Monopoly

Now, what about these great American businesses, these so-called monopolies which Soviet propaganda insists have no other ambition than to enslave the world?

Let me first say that we believe it is unhealthy for any single business enterprise to acquire an overwhelming measure of economic power. For this reason we have our antitrust laws and our investigators and our prosecutors who are constantly on the watch for those who would conspire to monopolize any economic sphere in restraint of trade on behalf of their own self-interest. This is not merely a paper law. It is a deeply held philosophy of government engrained in our society.

This is not to deny the fact that we have many large corporations in the United States. But who owns these corporations? A recent survey showed that more than 6½ million persons hold stock in the relatively small proportion of U.S. corporations that are listed in the New York Stock Exchange. In fact, in many of America's larger

corporations, the number of stockholders actually exceeds the number of workers. In 1951, for example, average employment in America's 100 largest manufacturing organizations was about 42,000 per company. At the same time, the average number of shareholders per company was 54,000. Thus, for every four employees there were five shareholders.

For example, the American Radiator Company had 67,004 shareholders and 22,581 employees—a ratio of 3 owners to 1 employee. The American Tobacco Company had 75,017 shareholders and 19,000 employees—a ratio of 4 to 1. The Anaconda Copper Mining Company had 118,616 shareholders and 39,672 employees—a ratio of 3 to 1. The Du Pont Company had 138,168 shareholders and 86,874 employees. General Electric Company had 252,993 shareholders and 210,220 employees. And even such huge enterprises as U.S. Steel and Western Electric had approximately as many owners as workers. In the case of U.S. Steel, there were a little over 300,000 workers compared to 268,226 shareholders. Westinghouse's 102,912 shareholders may be compared to its 108,654 employees. And many of these employees are among the stockholders of the companies in which they work.

In addition to these millions of stockholders, there are 86 million insurance-policy holders whose savings are invested in 29 billion dollars' worth of corporate bonds held by U.S. insurance companies and who thus have a vast stake in U.S. industries. And millions of others, not shareholders themselves, have savings to the tune of 40 billion dollars invested in the U.S. economy by the savings banks and savings and loan associations in which they have their deposits.

One need only go back to the most recent business census of the United States for another refutation of the specious monopoly charges of the East European delegates. That census showed that there were 3,840,000 independent business firms operating in the United States in 1947. It also showed that two out of every three businesses are owned by individuals. Twenty percent are partnerships. Only one business in ten is a corporation. Even in manufacturing, nearly 70 percent of our business firms are individually owned.

When we do have monopolies in the United States, they are publicly regulated. They are to be found in the public-utility field, primarily in the fields of electric power, transportation, and communications.

The American Telephone and Telegraph Company is regulated by the Federal Government and by 48 State governments and the District of Columbia. This system now serves nearly 37½ million telephones of its own—more than twice the number it serviced before the war. Last year, it spent over a billion dollars on new construction. It serviced a total of over 145 million telephone conversations every day of the week.

How the Working Man Fares

Since the propagandists of the Soviet Union and its puppet states like to shed such tears on behalf of the workers of the world, it would be appropriate to inquire what effect the American type of shared ownership has had on the ordinary men and women in our society. Take the average income of factory workers as an example. Their average weekly earnings increased from less than 10 dollars a week in 1909 to about 60 dollars a week in 1951, or sixfold. Real earnings, after allowance for rise in prices, more than doubled. At the same time, the length of the working week was reduced from 60 hours to 40 hours. The average family income last year was 4,320 dollars. Half of our families had incomes in excess of 3,530 dollars.

Underlying these changes has been the continued increase in our productivity—in agriculture, in industry, and in transportation. In 20 years, from 1929 to 1950, there was a 75 percent increase in total physical output of all private industry. Taking into consideration the population increase, the average increase in production in private industry per person was 1 3/4 percent every year. This phenomenal increase in productivity represents not only technological advancement but growing cooperation between labor unions and management. With the years, wages have gone up, profits have increased, and consumers have more goods to buy at moderate prices.

In 1914 it took the average worker 25 hours to buy a ton of coal to heat his house. Now it takes less than half as long—10 hours and 20 minutes. In 1914 it took 17 minutes to earn a pound of bread. Now it takes 6 minutes. It took 24 minutes' work then to buy one quart of milk. Now it takes 9 minutes—about a third as long.

All of these things have been made possible because we have learned how to combine technology with forward-looking management techniques and morale-building human relations. And by the term "human relations" I mean everything from trained executive personnel to relations between management and free labor unions. I also mean the personal relations that exist between foremen and workers and between workers themselves.

These things have been made possible because we have learned how to share the savings arising from greater productivity with the workers in the form of higher wages, and with consumers in the form of lower prices. This, in turn, has bettered our standard of living and increased employment opportunities.

This sharing of our increasing output—together with a system of progressive income taxation—has resulted in a vast upward leveling in the distribution of our national income.

In 1929, when our national income was less than 90 billion dollars, five percent of our citizens in the top income brackets got 34 percent of this

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national income. In 1951, when our national income was nearly 280 billion dollars, the percentage that went to this group was only 18 percent. Or, to put it another way: In 1929, 66 percent of the national income was received by the 95 percent of our population in the lower income brackets. In 1951 their share of this much larger income had risen to 82 percent.

Thus, the average income of families in our lower and middle-income groups has risen very rapidly. In 1951 one in every three families had an income of 3,000 to 5,000 dollars; another one in every five between 5,000 and 10,000 dollars. Thus, millions and millions of families have moved upward into an income bracket which permits them to enjoy the better things of life. They are industrial workers, office workers, farmers—millions of whom, in the past 2 decades, have moved upward in the income scale.

In a moment, I shall contrast this situation with what is taking place in the Soviet Union.

Restrictive Elements Must Go

Now, what is the significance of all of this? It is this: If we are to have a continuously expanding economy, we must eliminate, insofar as is humanly possible, the elements which make for restriction. This means the strengthening of free labor unions so that they can act effectively to assure that workers do in fact get their fair share of the benefits of improved productivity. It means giving as much attention to marketing and distribution as to production. It means developing competitive conditions among producers and distributors of commodities so that they have no alternative but to pass on the benefits of improved productivity to consumers.

In short, we have learned that to have a growing economy we must eliminate practices that place limitations on production, such as the division of markets and the restriction of output—whether imposed by public regulation or by private arrangement or merely by habit patterns which act to hold back the progress of production and low-cost distribution.

By contrast, let us look at the promise and reality of the Soviet world.

The political philosophy and the social organization of the Soviet system constitute a complete denial of those human values and concepts which have made for freedom and for progress.

The result is a society with no understanding, let alone respect, for the dignity and the rights of the individual. He is a tool of the all-powerful state. He has no political rights. True, there are the trappings of Western democracy and a Constitution stipulating popular representation, the rights of man, and limits to governmental power. But, as Andrei Vyshinsky, the authoritative interpreter of Soviet law, has put it: "The dictatorship of the proletariat is unlimited by any statutes

whatsoever." Thus we have before us the picture of a great nation which, having cast off the yoke of an inefficient and corrupt monarchy, has fallen victim to an even worse despotism. All decisions on political, social, cultural, and economic matters are made by a few men at the top of the Soviet Communist Party. If ever there was a monopoly, here is one. Contrast this with the 60 million people who went to the polls in the United States a little over a month ago. Of these, over 33 million dared to vote against the party in power.

Let us consider the conditions of the ordinary worker in the Soviet Union. The organizations which call themselves trade-unions in the U.S.S.R. have chiefly one function: to increase, in the interest of the state, the volume and quality of production while lowering the cost of production. Collective bargaining is not among their functions and the strike not among their weapons. A concrete illustration of what this means in the Soviet world has been given us by the Czechoslovak Minister of Interior, Nosek. In 1951 the Czech coal miners dared to ask for the restoration of the 5-day workweek which they had enjoyed before the Communists took over. To this, Mr. Nosek replied that "what was revolutionary under the capitalist system is reactionary and counter-revolutionary today."

Soviet Regimentation of Labor

Soviet workers have to put up with whatever labor conditions their one and only employer dictates. Wages are fixed by the governments. So are prices and working hours. Labor discipline is strict and any breach of its numberless provisions is severely punished. All jobs are frozen. Leaving the place of employment without the express permission of the management is punishable by imprisonment for from 2 to 4 months or, in defense industries, up to 8 years.

Since 1938 every worker has been required to have a labor book with detailed data on his employment history. This internal passport enables the boss to control the worker effectively at all times. To sum up: *Labor is defenseless against the monopolistic employer—the omnipotent state. It is hedged in by punitive legislation. It is under constant pressure to increase output.*

There is another question that might be asked: Has the Soviet system of complete regimentation paid off in terms of social dividends? Have the sweat and toil of the Soviet worker, not to mention his loss of freedom, been compensated by a better life for the people and by higher standards of living?

An approach to this question can be found by comparing the time it takes a worker in Moscow and in some of the free countries to earn the necessities of life. Take food, for example. A recent study shows that it requires 4½ hours of working time for a typical factory worker to buy a pound

of butter in Moscow as compared with a little under 2 hours in Germany and $\frac{3}{4}$ of an hour in Denmark.

It takes 9 minutes of work in a factory to earn a pound of potatoes in Moscow. Throughout Western Europe it requires less than 5 minutes, whether it be in Italy or Denmark or Germany. In some of these countries, it takes as few as 2 minutes.

The cost of a pound of bread varies from about 14 minutes of work in Moscow to 6 to 10 in Switzerland, Ireland, Denmark. It takes nearly twice as long to earn the money to buy a pound of pork in Russia as in Italy and $3\frac{1}{2}$ times as long as in Norway. For a pound of sugar it takes a little under 2 hours' work in Moscow as compared with 37 minutes in Italy and 21 minutes in France and Germany.

There is evidence available to show that in 1937, the peak year before the Second World War, per capita consumption in the U.S.S.R. was as low as in 1928. Indeed, the evidence indicates that per capita consumption in 1937 was not much above the level of 1913—the last year of peace in Czarist Russia. And there is every evidence that since 1937 per capita consumption in the U.S.S.R. has increased only slightly, if at all.

While income distribution in the United States has been substantially leveled up in the past 2 decades, the opposite development can be observed in the Soviet Union. There is a growing disparity in incomes and with it there has emerged a new class structure.

The Soviet Union has developed several upper classes. At the top, there are the leaders of the Party and Government, the managers of large enterprises, and well-known intellectuals. On the next level are minor dignitaries and luminaries. Down below are the toilers. Furthermore, the upper class may now endow their children with expensive education and with considerable inheritance. Soviet income taxes on high incomes are low. There appears to be no inheritance tax. From a tax point of view, the Soviet Union is an ideal place for millionaires.

The Question of East-West Trade

I now turn to some other false charges that have been made against my Government. Among them is the charge that the United States has tried to prevent East-West trade in peaceful goods. The truth—stated many times by other official spokesmen for the United States, and a truth which I assert again—is that the United States is not opposed to such trade and has not opposed such trade.

We will *not*, however, condone the shipment of strategic goods to the Soviet bloc. The reason for this is well known. We will not permit our trade to feed a Communist war machine which has already unleashed a military attack against peaceful peoples in Korea and which previously had

shown the true face of its aggressive designs in the Soviet seizure of Czechoslovakia.

We are all too familiar with the many tirades delivered in the United Nations in recent years by representatives of the Soviet Union or its satellites on the subject of trade controls.

In recent months, however, the Soviet bloc has given a new twist to these tirades. They now talk not only about the wickedness of our security trade controls—while, of course, maintaining rigid control over their own strategic exports. But they now talk about more than this. They now talk about the value—indeed, the necessity—of expanding international trade generally. Listening to the representatives of the Soviet bloc, one might believe that the Soviets had now abandoned doctrines which have guided their conduct for over 30 years.

I think we are all familiar with these doctrines. They were set out by Lenin himself in his report on concessions at the Eighth Congress of Soviets, in December 1920. Said Lenin:

Restoration of trade relations is a means of making large purchases of machinery needed by us. . . . The sooner we have achieved this . . . the sooner will we be economically independent from the capitalist countries.

That was in 1920. In 1941 a prominent Soviet economist, Mishustin, spelled out the same principle in greater detail. He wrote:

The main goal of Soviet import is to utilize foreign merchandise, and first of all machinery, for the speediest realization of the plans for socialist reconstruction, for the industrialization of the national economy, and for the technical and economic independence of the U.S.S.R. . . . The import of the U.S.S.R. is so organized that it aids the speediest liberation from import.

That was in 1941. And, 5 years later, with the postwar creation of a Soviet sphere of influence, Moscow imposed this self-sufficient policy—a policy which, need I add, is the *death* of international trade—on the Soviet bloc as a whole. In its dealings with its East European satellites and with Communist China, Soviet policy has been to reorient their trade almost exclusively to itself. And, in its dealings with the free world, its policy has been to limit imports to goods essential for reindustrialization and rearment.

The extent to which this policy goes has been bluntly spelled out in a secret Czechoslovak directive issued in the spring of 1950. This directive pulled no punches. It provided: (1) Only absolute essentials are to be imported from capitalist countries and these only when adequate supplies cannot be found within the Soviet realm; (2) insofar as possible, payments are to be made through exports of nonessential goods; (3) to the extent that shipping is available, all imports are to be channeled through Polish ports and are to be carried in Soviet-realm ships.

So much for imports. Now, regarding exports: (1) Nothing is to be delivered to capitalist countries which is required in the Soviet Union or the

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so-called People's Democracies; (2) no exports of strategic goods are permitted to capitalist countries; (3) the People's Democracies are to be granted priority in delivery of goods required for the rebuilding of their economy; (4) exports to capitalist countries are to be limited to nonessential goods insofar as possible; (5) deliveries of steel products to capitalist countries are to be reduced to a minimum; (6) shipping across West Germany and from West European ports is to be reduced to a minimum; and, whenever possible, Soviet Union or satellite vessels are to be employed for overseas trade.

This history of Soviet trade shows the hypocrisy of the appeals made by the representatives of the Soviet bloc for an expansion of trade between the Soviet-bloc countries and the free world.

Soviet Noncooperation in World Trade

And where has the Soviet Union been when the free nations of the world have tried to further world trade?

Not only has the Soviet Union refused to participate in projects of international cooperation; it has tried its best to discredit them, to smear them, and to sabotage them at every opportunity.

So, we may ask, whence comes this sweet reasonableness, this talk about trade and peace? But, some may say, Soviet doctrine and Soviet behavior toward these various international organizations and programs do not reflect actual Soviet-bloc practices in concrete transactions. Well, let's take a look at Soviet-bloc trading practices.

I might refer you to the difficulties my own countrymen have experienced in trying to do business with Communist Czechoslovakia. We have heard a lot about the Soviet-bloc countries wanting to trade with foreign businessmen. But how do the facts fit in with these claims? First, the property of American nationals in Czechoslovakia was confiscated without compensation. Next, the Czechoslovak Government persecuted and harassed American firms to such an extent that it was virtually impossible for them to do business in Czechoslovakia. Third, the Czech Government—as have all Soviet-bloc governments—declared it treasonable for its citizens to furnish the necessary information on trade which is essential to the conduct of commercial enterprise. Fourth, American charitable and welfare organizations were forced to discontinue their work. And, finally, American citizens were imprisoned without justification.

This is what can happen to individuals. It can also happen to nations. For individuals the cost can be too high financially. For nations it can cost too much in independence.

I have recalled to you the facts of Soviet doctrine and practice in the international trade field. I ask you to examine the current Soviet pretensions in the light of their behavior. Plainly, Soviet doctrine and practice in this field, to say

nothing of Soviet doctrine and practice in the political and military fields, force us to consider the recent statements of representatives from the Soviet bloc on this question as simply *hypocritical propaganda*.

In saying this, I do not mean to imply that the United States—as other free nations—would not welcome *bona fide* action by the Soviet bloc in joining the family of nations that practice as well as preach an expansion of international trade. The Government of the United States always welcomes opportunities to increase world trade—but not at the price of its national security or the security of other free nations.

I might add that the Soviet bloc would find the reception of its trade propaganda more favorable if other Soviet activities were consistent with it. As it is, this propaganda falls on skeptical ears because it is accompanied by aggression and threats of aggression and by subversive activity everywhere. The Soviets must change their ways before any credence can be given to their words. And, until they do change, we must continue to take with a large grain of salt all their current talk about peace and trade.

Polish Charges

The United States has also been charged with "torpedoing" international economic cooperation.

This sounds strange—coming as it does from the delegate of Poland, a state which has refused to become a contracting party to the General Agreement on Tariffs and Trade and which seems to be making a habit of pulling out of the few specialized agencies it has joined without paying the contributions it has solemnly contracted to pay.

The charge sounds hollow from a member of a bloc of states which has established an unenviable reputation for obstructing international economic cooperation in the United Nations in all its forms. These countries make it a crime to supply to the U.N. Statistical Office certain information which most other member nations gladly supply.

All we hear from them is percentages—rarely, if ever, a figure that means anything. The Soviet bloc has never contributed a ruble, a zloty, or a crown to the relief of the Palestine or Korean refugees, yet they make loud outcries and political capital out of their sufferings. These countries refuse to cooperate in the work of the Economic Commission for Europe and now use the Commission only as a sounding board for political propaganda. These countries have made it a principle not to join in, or cooperate with, the work of most of the specialized agencies.

According to the Polish delegate, the economic state of the world outside of what he called his "harmonious" area is one of stagnation and decline. Although the Polish delegate quoted copiously from the last bulletin of the Economic Com-

mission for Europe, it is plain that he did not read all of it. If he had, he might have seen that in a number of West European countries, 1952 consumption is at considerably higher levels than in 1949 and that agriculture and building are making strides. He might also have seen the statement that in Eastern Europe, despite the continued increase in industrial production, consumption standards in several countries, notably Poland and Czechoslovakia, show no tendency to rise. Indeed, in Poland and Czechoslovakia—and I quote—"there has been a general lowering of real wages."

Finally, the representatives of the Soviet bloc have dragged out their shopworn slander that American business—or, as they call it, "American monopoly capital"—wants war and has forced an "armaments race" upon the world. They say that American capital has forced this armaments race on the world because of its lust for vast profits.

Since the concept that the capitalist system maintains itself by war is basic to the Lenin-Stalin theory of economics, one would naturally expect the representatives of the Soviet bloc to repeat this falsehood.

But let us look at what war means to American business. It means price controls, wage controls, and priorities. It means allocations, power shortages, shortages of materials, and higher taxes. It means wearing out of equipment, dislocation of markets, conversion difficulties and reconversion hangovers, relocation of plants, the fear that competitors will take over their peace-time markets, and endless other headaches.

Is it surprising, then, that the American businessman does not want war or an armaments race? Is it surprising, then, that, at the beginning of World War II, it was the totalitarian countries and not the capitalist countries which were most prepared for war?

The Profits Picture

And as to the false charge that American business reaps great profits out of the defense effort, let us look at the facts. The only profit that interests businessmen is profit *after taxes*. In this connection, the defense effort, forced upon my country by the aggression which took place in Korea in mid-1950, has already brought about a 29 percent increase in personal taxes, a sharp boost in excise taxes, a 53-percent jump in corporate taxes, and the revival of the excess-profits tax as well.

And now let us see what has happened to the actual earnings of American business since the Korean war began. Last year, as our delegate in this Committee pointed out, the trend had already become clear. He showed that earnings, after taxes, of U.S. business in the first 9 months of 1951 were 9 percent lower than they had been in the same period in 1950 before the defense effort had

taken effect. He also showed that this was true for most industries, including those which are generally considered to be armaments industries.

That trend still continues. The figures showing the earnings of American business for the first 9 months of 1952 indicate that the earnings of 510 of our largest companies in 60 different fields amounted to 3.9 billion dollars—as compared to 4.4 billion dollars in 1951 and 4.8 billion dollars in 1950. In other words, they dropped 9 percent between 1950 and 1951 and they dropped another 10 percent between 1951 and 1952.

And what industries showed these declines in profits? It is true that the earnings of the aircraft and machine-tool industry rose. But the earnings of the steel companies, the iron and steel fabricators, the petroleum companies, and the chemical companies—that is to say, the industries vitally related to our defense program—all of these earnings fell, most of them for the second successive year since Korea.

We feel that the facts speak for themselves. Their significance will be recognized by any fair-minded person who is not so smothered in Stalin's dogma that he is unable or unwilling to see the truth.

But the real test of who wants war and who wants peace is what governments do to further one or the other. This Assembly has tried its best to find fair and equitable solutions to the Korean situation. Who was it who voted against the Indian proposal—a proposal which represented the civilized world's effort to bring about peace in Korea? The roll call against the Indian resolution included only (1) the Soviet Union, (2) the Soviet Ukraine, (3) Soviet Byelorussia, (4) Czechoslovakia, (5) Poland. Nobody else voted against it. They spoke vehemently against it, both in the First Committee and in the Plenary.

By their acts you shall know them.

My Government has repeatedly stated in this Committee and throughout the Assembly that we look forward to the day when men "shall beat their swords into plowshares and their spears into pruning hooks; nation shall not lift up sword against nation, neither shall they learn war any more."

We still cling to our belief in this prophecy. Above all things we desire peace—world peace—lasting peace and the world-wide prosperity which that peace will make possible. Of course we cannot accept peace imposed on Soviet terms and based on Soviet domination. When we say peace, we mean peace based upon mutual respect among free nations.

We look forward to the day when all the members of the United Nations will be able to agree upon a universal plan of disarmament with adequate control, inspection, and enforcement. On that day, we in the United States shall be glad to join with other member states in increasing our contribution to a widespread program of economic

development, a program which might well accomplish the great objectives outlined for us in our Charter. I hope that when that day comes all freedom-loving, democratic countries will be able to join together in putting into constructive use those resources of goods and technology which are already available to us but which the obstruction of a small group of states prevents us from applying to better ends than arms.

The sooner the world is freed from the fear of aggression, the sooner will my country be in a position to carry out its share in the great program of development which we all so desire.

U.N. Membership Based on Principles, Not on Deals

*Statement by Benjamin V. Cohen
U.S. Representative to the General Assembly¹*

U.S./U.N. press release dated December 21

I should like to explain briefly the votes the U.S. delegation will cast on the resolutions before us.

It is clear from the debates in Committee that all of us regard the membership problem as the outstanding organizational and constitutional problem of the United Nations. The future growth and vitality of the United Nations depends upon its solution. So long as all of those nations qualified for membership are not here among us, the United Nations cannot achieve its maximum effectiveness. New blood would bring fresh energy and enthusiasm as well as collective strength and wisdom to our discussions.

The debate in the Committee convinced my Government that the Central American draft resolution calling for the creation of a special committee to study the problem of admission to membership offered the most constructive method of procedure. Such a committee will be able to make an objective and careful exploration and analysis of the membership problem. In this connection, we recall the work of the subcommittee set up by the Interim Committee to study the problem of voting in the Security Council. The results of that study were, in the opinion of most delegations, highly useful. The results of the efforts of a similar group on the membership problem should be of equal, possibly greater, utility to the United Nations. We sincerely hope that the work of the Committee will help the United Nations to

progress toward the goal of universality of membership.

During the course of discussions in the Committee, many suggestions were made with a view to ending the membership deadlock. Our delegation was particularly impressed by the serious thought and study our friends from Latin America have given to the membership problem. We listened with great interest especially to the distinguished delegate from El Salvador, Ambassador Urquia, and to Ambassador Belaunde from Peru. While a number of the suggested solutions seem to my Government to raise grave constitutional issues, the special committee will undoubtedly wish to study them all carefully to determine whether they offer a feasible method to move toward fuller recognition and implementation of the principle of universality.

Our delegation will have to vote against the Polish draft resolution which was defeated in the Committee. The Polish resolution, which calls for a "package deal" admission of 14 states, in our opinion, prejudgets the question of admission. This is true whether the text of the proposal calls for *simultaneous* admission or simply for admission. The Polish draft resolution would have the General Assembly express by implication what we have not been willing to express explicitly: that all of the states listed therein are qualified. It would equate certain states which have not been found qualified (that is Albania, Hungary, Bulgaria, Rumania, and Outer Mongolia) with such peace-loving nations as Italy, or Austria, or Ceylon.

We are firm supporters of universality of membership, Mr. Chairman, but universality should be based upon principles and not upon deals. The Polish proposal is based on a deal not on a principle. It includes some applicants and excludes others on the basis of no stated standard. It includes some but not all applications which have received endorsement by a majority of the Security Council and includes those applications which have not received such endorsement. It provides the United Nations with no clear and defined criteria by which to judge the pending applications not included in the partial list contained in the Polish resolution or to judge future applications. We favor no deals which leave some existing and all future applications to the whim of future deals rather than to disposition on the basis of stated principles or standards. It may possibly be urged with reason that principles of admissibility should be more liberal than those we now apply. But those principles upon which we agree should be of universal application so that they may be applied to all future as well as existing applicants.

Finally, Mr. Chairman, a word of explanation of our vote endorsing the membership applications of Japan, the three Associated States of Indochina, Jordan, and Libya.

This will be the first time the General Assembly

¹ Made in plenary session on Dec. 21. Later in the same meeting (the last held by the General Assembly before adjourning until February 1953), the following actions were taken on membership: The Assembly voted to establish a special committee to study proposals on membership, confirmed the U.S. proposal as to Japan's fulfillment of membership qualifications, approved similar resolutions relating to Vietnam, Cambodia, Laos, Libya, and Jordan, and rejected the Polish "package" resolution.

is able to pass on the application of Japan. The Japanese Government filed its application for membership in June of this year. It would already have had a favorable recommendation from the Security Council were it not for the veto cast by the Soviet delegate to the Council last September.

In the view of my Government and in the view of the overwhelming majority of representatives on the *Ad Hoc* Committee, Japan is qualified for membership. It seems to me, therefore, it is only fair for the Assembly to put itself on record in this sense. Such action will provide Japan with further stimulus to continue the positive contributions it is already making to the specialized agencies of the United Nations of which she is a member. It will encourage the Japanese people to continue on the path of peaceful advancement.

For similar reasons we have endorsed the membership applications of the three Associated States of Indochina and will vote for them. And, finally, we will vote to support the membership applications of Jordan and Libya. The Assembly has already found those two states qualified for membership. We shall be glad again to express our endorsement of their qualifications for membership.

Soviet Attacks on Social Conditions in U.S.

*Statement by Mrs. Franklin D. Roosevelt
U.S. Representative to the General Assembly¹*

U.S./U.N. press release dated December 9.

After the speakers' list was closed, the Committee heard the distinguished delegates of the Ukraine, Soviet Union, Poland, and Byelorussia talk at great length about social conditions in the United States. These four speakers, like another speaker earlier in the debate, made many allegations about declining standards of living in this country, about our inadequate facilities for housing, education, health, and social welfare, about racial discrimination, and about the high cost of living in the United States. These speakers all asserted that the defects in American life are due primarily to the preparations of our Government for war.

This is the seventh year in which I have heard these same old, stale charges hurled against the United States. On several previous occasions I have replied to these charges, point by point, with the true facts. But, after all, no one ever expects replies to Soviet slanders to have any effect whatsoever on their representatives. Each year I present the facts about the situation in the United

¹ Made in Committee III (Social, Humanitarian and Cultural) on Dec. 9.

States; and then the next year these representatives offer up the same old distortions of fact.

The Committee is so far behind in its schedule that I will not delay it today with any detailed rebuttal. I should like merely to summarize what I have said on six previous occasions, knowing full well it will not prevent this group of representatives from saying the same thing all over again next year.

First, the U.S. Government and the American people do not want another world war; they are not preparing for another world war; they are doing, and will do, everything in their power to maintain international peace and security and to resist aggression.

Second, social conditions in the United States are not perfect and the standard of living of large numbers of the American people is far from satisfactory. It does not require this annual shower of crocodile tears by this group of representatives to make me aware of the defects in American life. I am fully aware of these defects, for I have spent the better part of my life fighting to help correct them.

Third, despite the fact that the standards of health, education, social welfare, housing, and race relations are not as high in the United States as we Americans would desire, they are much higher than the distinguished delegate of the Soviet Union and her colleagues would lead the Committee to believe.

Every year, the distinguished delegate of the Soviet Union and her colleagues quote a long list of figures to show what a small part of the *Federal* budget of the United States is devoted to education, health, social insurance, and similar activities. Every year I have to remind these delegates that the major expenditures in our country for education, health, social insurance, and similar activities comes not out of the *Federal* budget, but from the States, the counties, the cities, and the towns, and from private sources of many kinds. Let me cite just one figure, for probably the seventh time, to show the utter falseness of all these charges. The distinguished delegate of the Soviet Union stated that less than 1 percent of the budget of the *Federal* Government in the United States is devoted to education. That is a correct statistic because education is not the primary responsibility of the *Federal* Government, but that statement gives a completely false impression. The States, local communities, and private institutions are primarily responsible for education in the United States. In the fiscal year 1950-51 our State and local governments spent a total of \$7,500,000,000 on education, or 34.1 percent of their total expenditures; and our private institutions in addition spent many millions of dollars on education.

Fourth, despite all the imperfections in our American society and despite all I have heard about the perfect paradise that exists in the Soviet Union, Poland, Byelorussia, and in certain other

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countries—I am sure every person with decent instincts still prefers to live in imperfect freedom than in a propaganda paradise without freedom. For the last 20 years in this country, the Republican Party, a majority of our newspapers, and millions of our citizens have been criticizing and denouncing the Government; and for the next 4 years, the Democratic Party, many of our newspapers, and millions of our citizens will be criticizing and denouncing the new Administration. Yet not one Republican politician or diplomat has been imprisoned or hanged for his opposition to the Government in power. Not one newspaper has been suppressed. Not one citizen has been shipped off to a slave-labor camp. Nor will anything of this kind happen in the next 4 years to any American who happens to disagree with the Republican Administration.

In conclusion, Mr. Chairman, we in the United States know better than these critics the many things that are lacking in our country. We have done much in the past, and we are doing much today, to correct these injustices and these low standards. We would be doing even more today if we were not compelled by the aggression in Korea and by the threat of aggression elsewhere to help strengthen the free world and to preserve the peace.

Direct defense needs have again been given priority.

Primary copper only (blister and refined) is included in the distribution plan. As in previous quarters, semifabricated products have not been allocated but all exporting countries are again asked to maintain their exports of semifabricated products at a level commensurate with their allocation of primary metal for civilian consumption in accordance with normal patterns of trade.

The Committee agreed to continue the arrangement whereby domestic users in the United States and in other countries would have the opportunity to purchase any copper allocated to other countries participating in the International Materials Conference and not used by them.

In accepting the Committee's recommendations, the Chilean Government made a reservation by which it may dispose of a limited tonnage of its copper without reference to the distribution plan. Notwithstanding this reservation, the Chilean Government has stated its desire to take into account the recommendations of the Committee whenever possible in regard to that limited tonnage.

Twelve countries are represented on the Committee. They are Australia, Belgium (representing Benelux), Canada, Chile, France, the Federal Republic of Germany, Italy, Mexico, Norway, Peru, the United Kingdom, and the United States. The plan of distribution has been forwarded also to the governments of 27 other countries, not represented on the Committee, for which allocations have been recommended.

Distribution of Molybdenum

The Tungsten-Molybdenum Committee on December 18 announced its recommended distribution of molybdenum for the first calendar quarter of 1953.² The Governments of all 13 countries represented on the Committee have accepted the recommendations. These countries are Australia, Bolivia, Brazil, Canada, Chile, France, the Federal Republic of Germany, Japan, Portugal, Spain, Sweden, the United Kingdom, and the United States.

In accepting the recommendations, the Government of the United States made the condition that domestic users of molybdenum in the United States should be authorized to purchase the quantity of such material allocated to other countries participating in the International Materials Conference and not used by any such participating country. In view of this, the Committee agreed to make arrangements whereby such domestic users in the United States or other countries would have the opportunity to purchase molybdenum allocated to other countries participating in the International Materials Conference but not used by any such participating country.

Activities of the International Materials Conference

Distribution of Copper

The Copper-Zinc-Lead Committee of the International Materials Conference announced on December 16 that member governments have accepted its proposal for an allocation of copper for the first quarter of 1953,¹ subject to a review of the supply-demand situation at the end of January to ascertain whether the allocation need be continued for the remainder of the quarter.

Reported requirements of primary copper for the first quarter 1953 continue to exceed estimated availabilities, even though there has been a noticeable easing of the copper market in recent months.

Estimated availabilities of primary copper in the first quarter 1953 amount to 704,790 metric tons. The Committee has recommended a first-quarter plan of distribution of 723,080 metric tons as compared with 747,655 metric tons in the previous quarter. The requirements indicated by some countries are slightly lower than in the previous quarter and this factor and more realistic supply figures result in a reduced total allocation. There is an apparent over-allocation of 18,290 metric tons (2.6 percent) which will provide a measure of flexibility to the distribution plan.

¹ For distribution plan, see IMC press release of Dec. 16.

² For distribution plan, see IMC press release of Dec. 18.

Molybdenum has been under an international plan of distribution since July 1, 1951. Although availabilities have been increasing, the metal continues to be in very short supply as compared with the requirements of the consuming countries. This is especially so when the stock-piling requirements of these countries are taken into consideration.

Total free-world production of molybdenum in the first quarter of 1953 is estimated by the Committee at 6,408.25 metric tons metal content. This estimated production shows an increase of nearly 13 percent as compared with estimated production in the fourth quarter of 1952 and over 75 percent above the rate of production in 1950. On the other hand the defense and stock-piling requirements of the free world are still much in excess of the estimated production. It is necessary therefore that all countries of the free world should do their utmost to implement the present recommendations for the distribution of the metal and give every attention to the measures recommended by the Committee for conservation and substitution.

The plan recommended provides for the distribution of the whole free-world production of molybdenum, both in the form of ores and concentrates and primary products. Primary products are defined, as in the case of previous distributions by the Committee, as ferromolybdenum, molybdic acid and molybdenum salts, including calcium-molybdate and molybdic oxide. Roasted molybdenum concentrates are regarded by the Committee as being included in ores and concentrates, as in the case of previous distribution plans.

In framing the recommended plan of distribution, the needs of all countries, whether members of the Committee or not, were carefully considered. The distribution plan is now transmitted to all governments, including those not represented on the Committee, wherever the countries concerned are interested in the export or import of molybdenum in the form of ores and concentrates or primary products. All governments are being requested to carry out the plan of distribution recommended.

Of the total estimated production of 6,408.25 metric tons metal content of molybdenum to be produced in the first calendar quarter of 1953, the distribution plan provides that 6,124.25 metric tons be distributed in the form of ores and concentrates and 284 metric tons as primary products, this latter quantity also being distributed, in the first instance, to countries manufacturing primary products from ores and concentrates.

Distribution of Nickel

The Manganese-Nickel-Cobalt Committee on December 18 announced that its 14 member governments have accepted a first quarter 1953 distribution plan for primary nickel and oxides.³

³ For distribution plan, see IMC press release of Dec. 18.

The recommended plan of distribution has been forwarded to all interested governments for implementation.

As in the distribution plans for the last two quarters of 1952, provision has been made whereby any nickel allocated to, but not used by, countries participating in the plan of distribution, will become available for purchase by consumers in the United States and other countries. Japanese production has reached a level which will permit the export in 1953 of a small amount of refined nickel.

The estimated nickel availabilities for the first quarter of 1953 of 37,270 metric tons are only 210 tons or about 0.6 percent higher than for the fourth quarter of 1952. Therefore, the recommended allocation still falls considerably short of requirements. As a result, the Committee's report to all governments again stresses the need for strict economy in the use of nickel.

The countries represented on the Manganese-Nickel-Cobalt Committee are Belgium (for Benelux), Brazil, Canada, Cuba, France, the Federal Republic of Germany, India, Italy, Japan, Norway, Sweden, the Union of South Africa, the United Kingdom, and the United States.

Tungsten Distribution Plans Discontinued

The Tungsten-Molybdenum Committee of the International Materials Conference announced on December 18 that member governments had accepted its recommendation to discontinue international distribution plans for tungsten after December 31, 1952.

The consistent improvement in the tungsten supply situation, together with the return of easier market conditions, will now permit such action.

The Committee will, however, continue to keep the supply and demand position under review. Any developments which would justify further action will be given due consideration. It has been agreed that if two or more countries, whether members of the Committee or nonmembers, experience serious difficulties in obtaining the necessary supplies, they may request the Committee to consider the reestablishment of the allocation system.

When tungsten was first allocated in July 1951, for the third quarter of that year, actual production of the metal amounted to about 3,150 metric tons metal content, whereas production for the first quarter of 1953 is estimated at more than 4,700 metric tons. With this increase of about 50 percent, supply and demand are approximately in balance. Further increases in production, however, are expected and it is believed that they will be necessary before the existing restrictions on end use can be fully relaxed.

The 13 countries represented on the Tungsten-Molybdenum Committee are Australia, Bolivia, Brazil, Canada, Chile, France, the Federal Republic of Germany, Japan, Portugal, Spain, Sweden, the United Kingdom, and the United States.

Allocation of Sulfur

The Sulfur Committee of the International Materials Conference on December 22 announced the allocation plan for crude sulfur for the first quarter of 1953, which was unanimously accepted by its member governments. Seventeen governments are represented on the Sulfur Committee: Australia, Belgium (representing Benelux), Brazil, Canada, France, the Federal Republic of Germany, India, Italy, Japan, Mexico, New Zealand, Norway, Sweden, Switzerland, the Union of South Africa, the United Kingdom, and the United States.

A substantial improvement has taken place in the sulfur position over the last 6 months of 1952. This has been brought about both by an increase in production and by some reduction in demand, resulting from the fact that the level of industrial activity in many countries was lower than previously anticipated, and from the increased use of other sulfur-bearing materials and various conservation measures. The export availabilities and import requirements for the first quarter of 1953 are approximately in balance.

The Committee discussed the possible termination of international allocations but considered that the improvement in the supply position might be only of a temporary nature. Furthermore, the Committee recognized that in many cases the requirement figures for individual countries were based on a continuation of restrictions on the use of sulfur as such and thus might not reflect a true estimate of world demand. In view of this, the Committee has recommended the continuation of allocations for the first quarter of 1953, as shown in the attached schedule.⁴

The Committee agreed to make arrangements whereby domestic users in the United States and in other countries may purchase any sulfur allocated to other countries participating in the International Materials Conference and not used by any such participating country.

As on previous occasions, the Committee dealt only with crude sulfur and did not allocate the relatively small quantities of refined sulfur which enter into international trade. The Committee expects, however, that trade in refined sulfur will continue to follow the normal pattern.

U.S. Delegations to International Conferences

Discussions on World Rice Situation (FAO)

The Department of State announced on January 6 (press release 7) that under the auspices of the Food and Agriculture Organization of the United Nations (FAO), an intergovernmental meeting on the world rice situation had convened at Bangkok on January 5. The U.S. delegation to this meeting is as follows:

Delegate

Dexter V. Rivenburgh, Commodities Specialist, Production and Marketing Administration, Department of Agriculture

Members

Isom Deshotels, Assistant Agricultural Officer, Special Technical Economic Mission, American Embassy, Rangoon
Howard Parsons, Economic Counselor, American Embassy, Bangkok
Graham Quate, Agricultural Attaché, American Embassy, Bangkok

At the meeting, representatives of both importing and exporting countries, which are members of FAO, will review the recent trends in the production and international movement of rice and discuss governmental policies affecting rice production. Participants will exchange information

about production policies, economic incentives, marketing methods, and technical assistance and will consider possible arrangements for future consultations on problems of rice supply. Technical questions concerning the storing of rice will also be discussed as an FAO meeting to deal with rice storage, previously scheduled for December 1952, was postponed to coincide with this meeting.

Inter-American Seminar on National Income

Press release 5 dated January 5

From January 5 to 17, statistical experts from the United States will attend an Inter-American Research Seminar on National Income at Santiago, Chile. The seminar, which will be held on the campus of the University of Chile, is being sponsored by the Government of Chile, the Pan American Union, and the Inter-American Statistical Institute, with the cooperation of the University of Chile and the United Nations.

U.S. participants in the seminar will be: chairman, M. Joseph Meehan; members, George Jaszi

⁴ For allocation schedule, see IMC press release dated Dec. 22.

and Harlow D. Osborne, all from the Office of Business Economics, Department of Commerce. Also participating will be Hale T. Shenefield of the American Embassy, Santiago.

The general purpose of the seminar, which is one of the projects of the technical-cooperation program of the Organization of American States, is to provide an opportunity for statistical specialists from the American Republics to exchange information on the problems involved in the use of national-income data and to analyze methods of solving these problems. It is hoped that the seminar will encourage the support and assistance which experts and offices will require in their efforts toward the stabilization and development of national incomes; and that it will establish relations which will permit the exchange of personnel and information among countries leading to an improvement of statistical services in each country.

Interested international organizations and institutions, including those which maintain relations with the Organization of American States, have been invited to send observers to the seminar.

Nature of Reports to U.N. by Unified Command

Press release 1 dated January 2

Following is the text of a letter from Ben H. Brown, Jr., Acting Assistant Secretary for Congressional Relations, which is in reply to a letter from Representative Walter Rogers regarding an inquiry received by Representative Rogers from a constituent concerning reports that all military movements in Korea must initially be cleared through a Soviet citizen on the United Nations Secretariat:

DECEMBER 30, 1952

MY DEAR MR. ROGERS: I have your letter with which you enclosed a letter from a constituent who refers to an article appearing in the November issue of the *American Mercury* and asks if it is true that all military movements in Korea must first be cleared through Constantine Zinchenko, a Soviet citizen on the United Nations Secretariat.

The statement which is attributed to the article in the *American Mercury* is entirely without foundation. By resolutions of the Security Council the United Nations established for the Korean action a Unified Command under the United States. The actual conduct of operations in Korea in accordance with general United Nations principles and objectives was left to the United States. The United States Government has not cleared and does not clear any proposed military movements or any directions to the troops with any organ of the United Nations or any person on the Secretariat. The United States reports to the United Nations periodically on the events

which have taken place in the Korean fighting. These reports do not contain classified information and are available to the public generally.¹

Mr. Zinchenko has held in the United Nations Secretariat the post of "Assistant Secretary General in charge of the Department of Security Council Affairs". In this capacity he has no access whatever to any classified information of the United States Government and no voice in the determination of any policies of the United States or of the United Nations in regard to Korea. Any decisions or recommendations which the United Nations might wish to make in regard to the Korean fighting would have to be made by the Security Council or by the General Assembly. Mr. Zinchenko and other members of the United Nations Secretariat would have nothing to say in regard to the adoption of any such resolution.

If I can give you further information on this or any other subject, do not hesitate to call on me.

Sincerely yours,

For the Secretary of State:

BEN H. BROWN, JR.
Acting Assistant Secretary

Current Legislation on Foreign Policy

Subcommittee on Overseas Information Programs of the United States. Staff Study No. 1. United States Overseas Information Programs (Background Study). November 17, 1952. Committee Print. 82d Cong., 2d sess. 48 pp.; Staff Study No. 3. The Soviet Propaganda Program (A Preliminary Study). November 17, 1952. Committee Print. 82d Cong., 2d sess. 23 pp.

Treaties and Executive Agreements. Hearings Before a Subcommittee of the Committee on the Judiciary, United States Senate, Eighty-Second Congress, Second Session on S. J. Res. 130 Proposing an Amendment to the Constitution of the United States Relative to the Making of Treaties and Executive Agreements. May 21, 22, 27, 28, and June 9, 1952. 540 pp.

The Katyn Forest Massacre. Hearings Before the Select Committee To Conduct an Investigation of the Facts, Evidence, and Circumstances of the Katyn Forest Massacre. Eighty-Second Congress, Second Session on Investigation of the Murder of Thousands of Polish Officers in the Katyn Forest Near Smolensk, Russia. Part 6. (Exhibits 32 and 33 Presented to the Committee in London by the Polish Government in Exile). 199 pp.; Part 7. June 3, 4, and November 11, 12, 13, 14, 1952. 537 pp.

Mutual Security Legislation and Related Documents With Explanatory Notes. Committee on Foreign Affairs, House of Representatives. November 1952. Committee Print. 82d Cong., 2d sess. 137 pp.

Institute of Pacific Relations. Hearings Before the Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Committee on the Judiciary, United States Senate, Eighty-Second Congress, Second Session on the Institute of Pacific Relations. Part 13. April 2, 4, 5, 7, 8, May 15, 16, and 29, 1952. 550 pp.; Part 14. May 2 and June 20, 1952. 805 pp.

¹ For texts of the most recent U.N. Command reports and citations to earlier reports, see BULLETIN of Dec. 29, 1952, p. 1034.

THE FOREIGN SERVICE

Davies, Vincent Loyalty Cases

LOYALTY REVIEW BOARD'S FINDINGS

Press release 920 dated December 15

The Department of State on December 15 made the following announcements:

The Loyalty Review Board of the Civil Service Commission notified the Department on December 12 that it had "arrived at the conclusion that there is no reasonable doubt of the loyalty of Mr. John Paton Davies, Jr., to the Government of the United States." Accordingly, the Loyalty Review Board approved the favorable finding of the State Department Loyalty Security Board, which had cleared Mr. Davies on October 17, 1952.

The Loyalty Review Board has also notified the Department of its conclusion in the case of John Carter Vincent, "that there is a reasonable doubt as to his loyalty to the Government of the United States." In making this finding, the Loyalty Review Board noted specifically that it had not found Mr. Vincent "guilty of disloyalty."

Mr. Vincent, who is 53 years old, served in the U.S. Army in the First World War and has over 30 years Government service.

The Department on December 15 suspended Mr. Vincent, who is minister and diplomatic agent at Tangier, and ordered him home. The recommendation of the Loyalty Review Board that the services of Mr. Vincent be terminated has been brought to the attention of the President, who will discuss the matter with Secretary Acheson upon the latter's return from the NATO Conference at Paris.

Complete texts of the letters addressed to Secretary Acheson by Hiram Bingham, chairman of the Loyalty Review Board, in regard to Mr. Vincent and Mr. Davies are printed below:

DECEMBER 12, 1952

The Honorable
The Secretary of State

In Re: Case of John Carter Vincent
Chief of Mission, Tangier, Morocco

SIR: Under the provisions of Regulation 14 of the Rules and Regulations of the Loyalty Review Board, a panel of the Board has considered the case of the above named employee. The members of the panel reviewed the entire record in the case and heard the testimony of Mr. Vincent in person and argument of counsel on his behalf.

Without expressly accepting or rejecting the testimony of Louis Budenz that Mr. Vincent was a Communist and "under Communist discipline" or the findings of the Senate Committee on the Judiciary (a) that "over a period of years John Carter Vincent was the principal fulcrum of I. P. R.¹ pressures and influence in the State Depart-

ment" and (b) that "Owen Lattimore and John Carter Vincent were influential in bringing about a change in the United States Policy in 1945 favorable to the Chinese Communists," the panel has taken these factors into account.

Furthermore, the panel calls attention to the fact that Mr. Vincent was not an immature or subordinate representative of the State Department but was an experienced and responsible official who had been stationed in China from April 1924 to February 1936 and from March 1941 to August 1943, and who thereafter occupied high positions in the Department of State having to do with the formulation of our Chinese policies.

The panel notes Mr. Vincent's studied praise of Chinese Communists and equally studied criticism of the Chiang Kai-shek Government throughout a period when it was the declared and established policy of the Government of the United States to support Chiang Kai-shek's Government.

The panel notes also Mr. Vincent's indifference to any evidence that the Chinese Communists were affiliated with or controlled by the U.S.S.R.

Mr. Vincent's failure properly to discharge his responsibilities as Chairman of the Far Eastern Subcommittee of State, War and Navy to supervise the accuracy or security of State Department documents emanating from that Subcommittee was also taken into account.

Finally, the panel calls attention to Mr. Vincent's close association with numerous persons who, he had reason to believe, were either Communists or Communist sympathizers.

To say that Mr. Vincent's whole course of conduct in connection with Chinese affairs does not raise a reasonable doubt as to his loyalty, would, we are forced to think, be an unwarranted interpretation of the evidence. While we are not required to find Mr. Vincent guilty of disloyalty and we do not do so, his conduct in office, as clearly indicated by the record, forces us reluctantly to conclude that there is reasonable doubt as to his loyalty to the Government of the United States.

Therefore, it is the recommendation of the Loyalty Review Board that the services of Mr. John Carter Vincent be terminated.

DECEMBER 12, 1952

The Honorable
The Secretary of State

In Re: Case of John Paton Davies, Jr.
Foreign Service Officer

SIR: Under the provisions of Regulation 14 of the Rules and Regulations of the Loyalty Review Board, a panel of the Board has considered the case of the above named employee. The members of the panel reviewed the entire record in the case and heard the testimony of Mr. Davies in person and argument of counsel on his behalf. The panel also heard the testimony of several witnesses and considered additional top-secret evidence.

It is not within the province of the Loyalty Review Board to approve or disapprove of the wisdom or judgment of Mr. Davies as a Foreign Service Officer and we do not purport to do so.

After a full study of the entire record, and after listening to the highly confidential testimony of General Walter Bedell Smith, Director of the Central Intelligence Agency, and Ambassador George Kennan, former head of the policy planning staff of the State Department, particularly with regard to Mr. Davies' suggested utilization by the C.I.A. of the services of persons alleged to be Communists, we have arrived at the conclusion that there is no reasonable doubt of the loyalty of Mr. John Paton Davies, Jr., to the Government of the United States.

Accordingly, the findings of the State Department Loyalty Security Board are hereby approved.

¹ Institute of Pacific Relations.

PRESIDENT AUTHORIZES NEW REVIEW OF VINCENT CASE

White House press release dated January 3

The President on January 3 sent the following memorandum to Secretary Acheson:

MEMORANDUM TO: THE SECRETARY OF STATE

I have read your memorandum of today concerning the case of John Carter Vincent. I think the suggestions which you make are well taken and I authorize and direct you to proceed in the manner which you have outlined.

HARRY S. TRUMAN

Following is the text of Secretary Acheson's memorandum to the President:

MEMORANDUM FOR THE PRESIDENT

Subject: Case of John Carter Vincent

I have recently been advised by Chairman Bingham of the Loyalty Review Board that a panel of the Loyalty Review Board has considered the case of Mr. John Carter Vincent, a Foreign Service Officer with class of Career Minister. Chairman Bingham also advises me that while the panel did not find Mr. Vincent guilty of disloyalty, it has reluctantly concluded that there is reasonable doubt as to his loyalty to the Government of the United States. Chairman Bingham further advises me that it is therefore the recommendation of the Board that the services of Mr. Vincent be terminated.

Such a recommendation by so distinguished a Board is indeed serious and impressive and must be given great weight. The final responsibility, however, for making a decision as to whether Mr. Vincent should be dismissed is that of the Secretary of State. I am advised that any doubt which might have previously existed on this point has been removed by the recent decision of the United States Circuit Court of Appeals for the District of Columbia in *James Kutcher, Appellant, v. Carl Gray, Jr., Veterans Administration, Appellee*. That case establishes that the action of the Board is a recommendation "just that—nothing more" and that in the last analysis upon the Head of the Department is imposed "the duty to impartially determine on all the evidence" the proper disposition of the case.

A most important item on which I must rely in exercising this responsibility, is the communication from Chairman Bingham in which he advised me of the conclusion reached by his panel. This communication contains elements which raise serious problems.

In the first place, I note a statement that the panel has not accepted or rejected the testimony of Mr. Budenz that he recalls being informed by

others that Mr. Vincent was a Communist and under Communist discipline. The panel also states that it does not accept or reject the findings of the Committee on the Judiciary of the Senate with respect to Mr. Vincent and the Institute of Pacific Relations or the findings of the Committee with respect to the participation of Mr. Vincent in the development of United States policy towards China in 1945. The panel, however, proceeds to state that, although it has not accepted or rejected these factors, it has taken them into account. I am unable to interpret what this means. If the panel did take these factors into account, this means that it must have relied upon them in making its final determination. Yet I am unable to understand how these factors could have played a part in the final determination of the panel if these factors were neither accepted nor rejected by the Board.

This is not merely a point of language. It is a point of real substance. It is difficult for me to exercise the responsibility which is mine under the law with the confusion which has been cast as to the weight which the panel gave to the charges of Mr. Budenz or the findings of the Senate Committee.

The communication from the panel raises another issue which goes to the heart of operation of the Department of State and the Foreign Service. It is the issue of accurate reporting. The communication contains the following statement:

The panel notes Mr. Vincent's studied praise of Chinese Communists and equally studied criticism of the Chiang Kai-shek Government throughout a period when it was the declared and established policy of the Government of the United States to support Chiang Kai-shek's Government.

Mr. Vincent's duty was to report the facts as he saw them. It was not merely to report successes of existing policy but also to report on the aspects in which it was failing and the reasons therefor. If this involved reporting that situations existed in the administration of the Chinese Nationalists which had to be corrected if the Nationalist Government was to survive, it was his duty to report this. If this involved a warning not to underestimate the combat potential of the Chinese Communists, or their contribution to the war against Japan, it was his duty to report this. In the hearings which followed the relief of General MacArthur, General Wedemeyer has testified that he has made reports equally as critical of the administration of the Chinese Nationalists.

The great majority of reports which Mr. Vincent drafted were reviewed and signed by Ambassador Gauss, an outstanding expert in the Far East. Ambassador Gauss has made it crystal clear that in his mind the reports drafted by Mr. Vincent were both accurate and objective.

I do not exclude the possibility that in this or in any other case a board might find that the reports of an officer might or might not disclose

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a bias which might have a bearing on the issue of his loyalty. But in so delicate a matter, affecting so deeply the integrity of the Foreign Service, I should wish to be advised by persons thoroughly familiar with the problems and procedures of the Department of State and the Foreign Service. This involves an issue far greater in importance than the disposition of a loyalty case involving one man. Important as it is to do full justice to the individual concerned, it is essential that we should not by inadvertence take any step which might lower the high traditions of our own Foreign Service to the level established by governments which will permit their diplomats to report to them only what they want to hear.

The memorandum from Mr. Bingham indicates that the Board also took into account "Mr. Vincent's failure properly to discharge his responsibilities as Chairman of the Far Eastern Subcommittee of State, War and Navy to supervise the accuracy or security of State Department documents emanating from that Subcommittee". The statement which refers to the security of the files seems to me to be inadvertent. Presumably it is a reference to the fact that State Department documents were involved in the *Amerasia* case. However, in the many Congressional investigations which have followed that case it has not been suggested that Mr. Vincent had any responsibility for those documents. I have not discovered any such evidence in the file in this case. The reference to the accuracy of the State Department documents emanating from that Committee is obscure. In any case, while it might be relative to Mr. Vincent's competence in performing his duties, it does not seem to me to have any bearing on the question of loyalty.

The report finally refers to Mr. Vincent's association with numerous persons "who, he had reason to believe", were either Communists or Communist sympathizers. This is indeed a matter which, if unexplained, is of importance and clearly relevant. It involves inquiry as to whether this association arose in the performance of his duties or otherwise. It further involves an inquiry as to the pattern of Mr. Vincent's close personal friends and whether he knew or should have known that any of these might be Communists or Communist sympathizers.

All these matters raised in my mind the necessity for further inquiry. This further inquiry was made possible by the documents in this proceeding which you provided me upon my request. I find upon examining the documents that the recommendation made by the panel of the Loyalty Review Board was made by a majority of one, two of the members believing that no evidence had been produced which led them to have a doubt as to Mr. Vincent's loyalty. In this situation, I believe that I cannot in good conscience and in

the exercise of my own judgment, which is my duty under the law, carry out this recommendation of the Board. I do not believe, however, that in the exercise of my responsibility to the Government, I can or should let the matter rest here. I believe that I must ask for further guidance.

I, therefore, ask your permission to seek the advice of some persons who will combine the highest judicial qualifications of weighing the evidence with the greatest possible familiarity of the works and standards of the Department of State and the Foreign Service, both in reporting from the field and making decisions in the Department. If you approve, I should propose to ask the following persons to examine the record in this case and to advise me as to what disposition in their judgment should be made in this case.

Judge Learned B. Hand, who, until his retirement, has been the senior judge for the United States Circuit Court of Appeals for the Second Circuit, to serve as Chairman;

Mr. John J. McCloy, former High Commissioner for Germany;

Mr. James Grafton Rogers, former Assistant Secretary of State under Secretary Stimson;

Mr. G. Howland Shaw, a retired Foreign Service Officer and a former Assistant Secretary of State under Secretary Hull; and

Mr. Edmund Wilson, a retired Foreign Service Officer and former Ambassador.

I should ask them to read the record in this case and at their earliest convenience inform the Secretary of State of their conclusions.

DEAN G. ACHESON
Secretary of State

Check List of Department of State Press Releases: Jan. 5-9, 1953

Releases may be obtained from the Office of the Special Assistant for Press Relations, Department of State, Washington 25, D. C.

Press releases issued prior to Jan. 5 which appear in this issue of the BULLETIN are 918 and 920 of Dec. 15, 1952, and 1 of Jan. 2, 1953.

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10	1/8	Loan to Afghanistan for wheat
*11	1/9	Exchange of persons
12	1/9	Executive order on Americans in U.N. ¹
13	1/9	Disarmament consultant panel

¹Not printed.

¹See BULLETIN of Jan. 12, 1953, p. 62.

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